



Post Office Box 9010 Addison, Texas
75001-9010
5300 Belt Line Road
(972) 450-7000 Fax: (972) 450-7043

AGENDA

SPECIAL MEETING AND WORK SESSION OF THE CITY COUNCIL

6:00 PM

November 4, 2013

ADDISON TOWN HALL

5300 BELT LINE RD., ADDISON, TX 75254

SPECIAL MEETING

- R1 Presentation, discussion, and consideration of approval to a proposed ground lease assignment from C.C Hangar, LP to Claire Chennault Partners, LLC, on Addison Airport, and authorizing the City Manager to execute the consent agreement.
-

WORK SESSION

- WS1 Presentation and discussion regarding City Manager succession planning process and staff assignments.
- WS2 Presentation and discussion of Budget Suites.
- WS3 Presentation and discussion of the Town's code enforcement.
-

REGULAR ITEMS CONTINUED

R2 **Public Hearing** and discussion to deliberate the evaluation of the City Manager.

Adjourn Meeting

Posted:

Chris Terry, 11/01/13, 5:00pm

**THE TOWN OF ADDISON IS ACCESSIBLE TO PERSONS WITH DISABILITIES.
PLEASE CALL (972) 450-2819 AT LEAST
48 HOURS IN ADVANCE IF YOU NEED ASSISTANCE.**

Special Meeting and Work Session

Meeting Date: 11/04/2013

Council Goals: Create a vision for the airport to maximize the value

Information

AGENDA CAPTION:

Presentation, discussion, and consideration of approval to a proposed ground lease assignment from C.C Hangar, LP to Claire Chennault Partners, LLC, on Addison Airport, and authorizing the City Manager to execute the consent agreement.

FINANCIAL IMPACT:

There is no financial impact.

BACKGROUND:

C.C. Hangar, LP is requesting the Town's consideration and consent to the proposed sale and assignment of the building improvements, together with the leasehold interests in Ground Lease #0080-2502 to Claire Chennault Partners, LLC, a Texas limited liability company (Assignee). The Assignee is also requesting that the Town consent to the creation of a leasehold mortgage in favor of SNB, Bank of Dallas ("Bank"). Attached as Exhibit "A" and Exhibit "B" respectively is the proposed Assignment of Ground Lease agreement evidencing the Town's consent to the assignment and, an Estoppel Letter by and between the Town and the Bank recognizing the creation of the subordinated lien.

Airport Management is recommending that the Town consent to the proposed transaction and authorize the City Manager to execute the agreement on behalf of the Town. The city attorney has reviewed the proposed documents and finds it acceptable for the Town's use. The Ground Lease was first entered into with Parkway Jet, Inc. and commenced September 1, 1984. The lease premise was improved with a 11,000 SF conventional hangar together with 5,400 SF of office/shop space. On September 22, 2004 the improvements and leasehold interests were assigned to C.C. Hangar, LP, the current tenant and assignor to the proposed transaction. The Town and C.C. Hangar, LP entered into the First Amendment to Ground Lease on September 22, 2004 where landlord and tenant agreed to modify the ground lease to include, among other things, that the tenant would construct an addition to the hangar thereby increasing its size by 3,000 SF. In consideration of the tenant completing the capital improvements as required, the Town agreed to extend the term of the ground lease by an additional 96 months (8 years) so it that it is now due to expire August 30, 2032.

The proposed assignee is Claire Chennault Partners LLC a manager/member managed partnership consisting of Rex Nichols, Scott Buzzell, and Wade Decker. The partners are either collectively or individually known to the Town and have other property holdings in the area including 15800 Dooley Road, on the west-side of the airport where they enjoy access privileges via a Town issued Airport Access Permit.

The partnership has represented to airport management that the property will continue to be managed and operated pursuant to the terms of the ground lease, the Airport's Rules and Regulations and the Addison Airport Minimum Standards and Requirements for Commercial Aeronautical Service Providers. They intend to continue to sublease the hangar space to Million Air and either occupy the office space for their own use or sublease the space as appropriate.

The requested action is for the Town's consent to the assignment or substitution of the ground tenant without any modification to the lease or building improvements. Consequently there isn't any direct or measurable additional economic impact or benefit but the property will continue to be professionally managed and operated. The estimated value of the building improvements, which serves as the Town's collateral for its lease fee interest, appear to provide sufficient coverage over the tenant's projected rental obligation (nearly 3 times).

The proposed assignment of the C.C. Hangar leasehold interests and building improvements is viewed by airport management to be consistent with the tenets of the Airport Strategic Plan. The facility will continue to support the airport's needs by providing additional hangar space in support of Million Air's operations. The property will continue to be well maintained, which preserves and protects the airport's overall value to the community.

RECOMMENDATION:

Administration recommends approval.

Attachments

Memo from Airport Management

Ground Lease Assignment Agreement

Estoppel Letter



William M. Dyer
Real Estate Manager
16051 Addison Road
Suite #220
Addison, Texas 75001

Main: 972-392-4850
Direct: 972-392-4856
Fax: 972-788-9334
bill.dyer@addisonairport.net

- M E M O R A N D U M -

To: Lisa Pyles, Director
Infrastructure Operations & Services
Town of Addison

From: Bill Dyer, Real Estate Manager

Cc: Joel Jenkinson, Airport Director

Date: November 1, 2013

Re: Ground Lease 0670-6702 – Proposed Assignment of Ground Lease from
C.C. Hangar, LP to Claire Chennault Partners, LLC

C.C. Hangar, LP is requesting the Town's consideration and consent to the proposed sale and assignment of the building improvements, together with the leasehold interests in Ground Lease #0080-2502 to Claire Chennault Partners, LLC, a Texas limited liability company (Assignee). The Assignee is also requesting the Town to consent to the creation of a leasehold mortgage in favor of SNB, Bank of Dallas ("Bank"). Attached as Exhibit "A" and Exhibit "B" respectively is the proposed Assignment of Ground Lease agreement evidencing the Town's consent to the assignment and, an Estoppel Letter by and between the Town and the Bank recognizing the creation of the subordinated lien to the ground lease.

Airport Management is recommending the Town Council give its consent to the proposed transaction and authorize the City Manager to execute the agreement on behalf of the Town. The city attorney has reviewed the proposed documents and finds it acceptable for the Town's use.



Figure 1: Aerial View of 4575 Claire Chennault



Figure 2: South View from Taxiway Victor

Background Information

- The Ground Lease was first entered into with Parkway Jet, Inc. and commenced September 1, 1984. The lease premise was improved with an 11,000 SF conventional hangar together with 5,400 SF of office/shop space.
- On May 13, 1996 the leasehold interests and building improvements were assign to Aquila Leasing Company.

- Then on September 22, 2004 the improvements and leasehold interests were assigned to C.C. Hangar, LP, the current tenant and assignor to the proposed transaction. With the Town's consent, C.C. Hangar, LP acquired the property subject to a leasehold mortgage created in favor of SNB Bank of Dallas, a division of Stillwater National Bank.
- The Town and C.C. Hangar, LP entered into the First Amendment to Ground Lease on September 22, 2004 where landlord and tenant agreed to modify the ground lease to include, among other things, the tenant would construct an addition to the hangar thereby increasing its size by 3,000 SF at a cost to tenant not to be less than \$350,000. In consideration of tenant completing the capital improvements as required therein, the Town agreed to extend the term of the ground lease by an additional 96 months (8 years) so it that it is now due to expire August 30, 2032.
- The property is subject to a shared ramp easement of same terms and conditions as other property adjacent to it. The easement restricts the tenant's use of their own ramp so not to hinder or obstruct other aircraft in the area.
- For much of C.C. Hangar's tenure of ownership it has subleased its hangar space to Million Air to augment its FBO operations and its office space to various subtenants with the Town's consent.

Ground Lease #0670-3502	
	Currently
Land Area	49,566
Hangar Area	14,000
Office Area	5,428
Total Building Area	19,428
Year Built**	1984/2004
Lease Commenced	9/1/1984
Lease Expiration	8/30/2032
Term Remaining	18.83 yrs.
Current Monthly Rent	\$1,743.55
Current Annual Rent	\$20,933.60
DCAD 2012 Valuation	\$429,610
Insured Value	\$1,500,000

** 3,000 SF hangar expansion completed in 2004

About the Proposed Assignee

The proposed assignee is Claire Chennault Partners LLC a manager/member managed partnership consisting of Rex Nichols, Scott Buzzell, and Wade Decker. This partnership was recently formed to allow for the acquisition of the 4575 Claire Chennault property. The partners are either collectively or individually known to the Town and have other property holdings in the area including 15800 Dooley Road, on the west-side of the airport where they enjoy access privileges via a Town issued Airport Access Permit.

The partnership has represented to airport management that the property will continue to be managed and operated pursuant to the terms of the ground lease, the Airport's Rules and Regulations and the Addison Airport Minimum Standards and Requirements for

Commercial Aeronautical Service Providers. They intend to continue to sublease the hangar space to Million Air and either occupy the office space for their own use or sublease the space as appropriate.

Strategic & Economic Considerations of the Proposed Transaction:

The requested action is for the Town's consent to the assignment or substitution of the ground tenant without any modification to the lease or building improvements. Consequently there isn't any direct or measureable economic impact or benefit to the airport or Town other than the property continued to be professionally managed and operated. The estimated value of the building improvements, which serves as the Town's collateral for its lease fee interest, appear to provide sufficient coverage over the tenant's projected rental obligation (nearly 3 times).

The proposed assignment of the C.C. Hangar leasehold interests and building improvements is viewed by airport management to be consistent with the tenets of the Airport Strategic Plan. The facility will continue to support the airport's needs by providing additional hangar space in support of Million Air's operations. The property will continue to be well maintain, which preserves and protects the airport's overall value to the community.

Airport Management's Conclusion and Recommendation:

C.C. Hangar, LP is requesting the Town's consideration and consent to their proposed sale and assignment of their leasehold interests to Claire Chennault Partners, LLC, a Texas limited liability company. The newly formed partnership established for the purpose of acquiring the ground leasehold and building improvements located at 4575 Claire Chennault.

The proposed tenant, Claire Chennault Partners, LLC, intends to continue to commercially operate the property much in the same manner as it has been in the past, which should allow the property to continue to thrive and provide added value and benefit to the airport.

Therefore, Airport Management recommends the Town approve the requested action and authorize the City Manager, subject to the City Attorney's final review of the executable agreements, to execute and put into effect the proposed Assignment of Ground Lease from C.C. Hangar, LP to Claire Chennault Partners, LLC.

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

ASSIGNMENT OF GROUND LEASE

This Assignment of Ground Lease (the "Assignment") is entered into and effective as of _____ 2013, at Addison, Texas, by and between C.C. Hangar, LP (herein referred to as "Assignor") and Claire Chennault Partners, LLC, a Texas limited liability company (herein referred to as "Assignee").

WHEREAS, a Ground Lease was entered into on September 1, 1994 between the City of Addison, Addison Airport of Texas, Inc., ("Landlord" or "the City") and Parkway Jet, Inc. ("Tenant) for certain real property located at 4575 Claire Chennault Drive ("the Premises");

WHEREAS, the Ground Lease was assigned by Substitute Trustee's Deed to Franklin First Federal Savings Bank on May 7, 1991; and

WHEREAS, Franklin assigned the Ground Lease to Aquila Leasing Inc. on May 13, 1993; and

WHEREAS, Aquila Leasing assigned the ground lease to C. C. Hangar LP effective September 22, 2004; and

WHEREAS, the Ground Lease was amended at that time the ground lease was assigned to C.C. Hangar, LP to include, among other things, a 96-month lease extension due to improvements C.C. Hangar made to the property that exceeded \$350,000. The amendment also brought the ground lease to our current minimum standards.

WHEREAS, the parties acknowledge and agree the boundary survey dated _____ prepared by _____ Survey containing 1.138 acres as described therein is the true and correct legal description of the Demised Premises (a true and correct copy of said Survey is attached and incorporated herein by reference as Exhibit "A"); and

WHEREAS, by virtue of such assignments, amendments and/or modifications made to the Ground Lease Assignor is the Tenant under the Ground Lease (a true and correct copy of said Ground Lease in its entirety with all hereinabove said assignments, amendments and/modifications made thereto are attached and incorporated herein by reference as Exhibit "B"); and

WHEREAS, the Ground Lease provides that, upon the expiration or termination of that certain agreement referred to and defined in the Ground Lease as the "Base Lease" (and being an Agreement for Operation of the Addison Airport between the City and Addison Airport of Texas, Inc.), the City is entitled to all of the rights, benefits and

remedies, and will perform the duties, covenants and obligations, of the Landlord under the Ground Lease; and

WHEREAS, the said Base Lease has expired and the City is the Landlord under the Ground Lease; and

WHEREAS, the Ground Lease provides in Section 9 thereof that, without the prior written consent of the Landlord, the Tenant may not assign the Ground Lease or any rights of Tenant under the Ground Lease (except as provided therein), and that any assignment must be expressly subject to all the terms and provisions of the Ground Lease, and that any assignment must include a written agreement from the Assignee whereby the Assignee agrees to be bound by the terms and provisions of the Ground Lease; and

WHEREAS, Assignor desires to assign the Ground Lease to Assignee, and Assignee desires to accept the Assignment thereof in accordance with the terms and conditions of this Assignment.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions contained herein, the sufficiency of which are hereby acknowledged, the parties hereto, each intending to be legally bound agree as follows:

AGREEMENT

1. Assignor hereby assigns, bargains, sells, and conveys to Assignee, effective as of the date above, all of Assignor's right, title, duties, responsibilities, and interest in and to the Ground Lease, attached hereto as Exhibit B, TO HAVE AND TO HOLD the same, for the remaining term thereof, and Assignor does hereby bind itself and its successors and assigns to warrant and forever defend the same unto Assignee against every person or persons lawfully claiming any part thereof through Assignor.

2. Prior to the effective date of this Assignment, Assignee agrees to pay an Assignment Fee in the amount of Four Hundred Fifty Dollars and no/100 (\$450.00) to Landlord.

3. Assignee hereby agrees to assume and shall be bound by and comply with all of the terms, provisions, duties, conditions, and obligations of Tenant under the Ground Lease. For purposes of notice under the Ground Lease, the address of Assignee is:

Claire Chennault Partners, LLC
Attn. Mr. Rex Nichols, Manager
15800 Dooley Rd.
Addison, Texas 75001

4. Nothing in this Assignment shall be construed or be deemed to modify, alter, amend or change any term or condition of the Ground Lease, except as set forth herein.

5. Assignor acknowledges that in addition to any other remedies provided in the Ground Lease or by law, Landlord may at its own option, collect directly from the Assignee all rents becoming due under this Assignment and apply such rent against any sums due to Landlord. Assignor acknowledges that it does not owe Landlord any past rent, fees, charges, taxes, insurance payments, penalties or any other amounts at the time of this Assignment. No such collection by Landlord from any such Assignee or subtenant shall release Assignor from the payment or performance of Assignor's obligations under the Ground Lease.

6. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, ASSIGNOR IS ASSIGNING THIS GROUND LEASE TO ASSIGNEE "AS IS", "WHERE IS", AND WITH ALL FAULTS AND SPECIFICALLY AND EXPRESSLY WITHOUT ANY WARRANTIES, REPRESENTATIONS OR GUARANTEES, EITHER EXPRESS OR IMPLIED, OF ANY KIND, NATURE, OR TYPE WHATSOEVER FROM OR ON BEHALF OF THE GRANTOR.

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment on the day and the year first set forth above.

ASSIGNOR:

C.C. Hangar, LP

By: Mitchell Rosenthal, Manager of
MSR Spring Valley Investments, LLC,
General Partner

ASSIGNEE:

Claire Chennault Partners, LLC

By: Rex Nichols, Manager

ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Mitchell Rosenthal, manager of MSR Spring Valley Investments, LLC, general partner of C.C. Hangar LP, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this _____ day of _____, 2013.

[SEAL]

Notary Public, State of Texas

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Rex Nichols, manager of Claire Chennault Partners, LLC, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this _____ day of _____, 2013.

[SEAL]

Notary Public, State of Texas

CONSENT OF LANDLORD

The Town of Addison, Texas ("Landlord") is the Landlord in the Ground Lease described in the Assignment of Ground Lease (the "Assignment") entered into and effective as of _____ 2013, at Addison, Texas, by and between C.C. Hangar, LP, a Texas limited partnership (herein referred to as "Assignor") and Claire Chennault Partners, LLC, a Texas limited liability company (herein referred to as "Assignee"). In executing this Consent of Landlord, Landlord is relying upon the warranty and representations made in the foregoing Assignment by both Assignor and Assignee, and in relying upon the same Landlord hereby consents to the foregoing Assignment from Assignor to Assignee. Notwithstanding this Consent, Landlord does not waive any of its rights under the Ground Lease as to the Assignor or the Assignee, and does not release Assignor from its covenants, obligations, duties, or responsibilities under or in connection with the Ground Lease, and Assignor shall remain liable and responsible for all such covenants obligations, duties, or responsibilities. In addition, notwithstanding any provisions of this Consent of Landlord or the above and foregoing Assignment to the contrary, this Consent shall not operate as a waiver of any prohibition against further assignment, transfer, conveyance, pledge, change of control, or subletting of the Ground Lease or the premises described therein without Landlord's prior written consent.

This consent is not intended and shall not be construed to waive any rights of the Town under the Ground Lease, to release or waive any claims of the Town against any tenant under or in connection with the Ground Lease or to release any tenant from any duties, obligations or liabilities under or in connection with the Lease.

This Consent shall be and remain valid only if and provided that, by no later than 6:00 o'clock p.m. on _____, _____, 2013:

(i) the Assignment has been executed and notarized by both Assignor and Assignee,

(ii) all other matters in connection with the transfer, sale, and/or conveyance by Assignor to Assignee of the Assignor's interest in the Ground Lease have been fully consummated and completed and the transaction closed as reasonably determined by Landlord (such matters including, without limitation, the full execution and finalization of this Assignment and any other documentation so required by Landlord relating to this transaction) and delivered to Landlord c/o Mr. Bill Dyer, Addison Airport Real Estate Manager, at 16051 Addison Road, Suite 220, Addison, Texas 75001. Otherwise, and failing compliance with and satisfaction of each all of paragraphs (i) and (ii) above, this Consent shall be null and void *ab initio* as if it had never been given and executed.

Signed this _____ day _____, 2013.

LANDLORD:

TOWN OF ADDISON, TEXAS

By: _____
Ron Whitehead, City Manager

On Bank Letterhead

(DATE)

RE: Ground Lease dated September 28, 1983, by and among the Town of Addison, Texas, a municipal corporation (the "City", the same being the Town of Addison, Texas) and Addison Airport of Texas, Inc., a Texas corporation, as Landlord (the City now being the sole Landlord under the Lease, the "Base Lease" (as defined in the Ground Lease) having expired, and the City alone being referred to herein as the "Landlord") and Parkway Jet, Inc., as tenant; the said Ground Lease then having been conveyed to Franklin First Federal Savings Bank by Substitute Trustee's Deed executed May 7, 1991; the said Ground Lease then having been assigned by Franklin First Federal Savings Bank to Aquila Leasing Company; the said Ground Lease then having been assigned by Aquila Leasing Company to C. C. Hangar L. P. the "Tenant" by that Assignment Agreement entered into on September 22, 2004, the said Ground Lease having been amended by that First Amendment to Ground Lease made effective September 22, 2004 (the said Ground Lease, as amended by the said First Amendment to Ground Lease, being referred to herein as the "Ground Lease") whereby Landlord leases to Tenant certain real property (the "Real Property") located at 4575 Claire Chennault at Addison Airport in Dallas County, Texas, as specifically described in the Ground Lease (and being approximately 1.138 acres in Dallas County, Texas), and being generally described as the "Demised Premises" in the Terms and Conditions set forth in the Ground Lease as amended.

Gentlemen/Mesdames:

SNB Bank of Dallas, a division of Stillwater National Bank (the "Bank") intends to make a loan to Claire Chennault Partners, LLP, a Texas, limited liability company, which loan (the "Loan") in the amount of \$_____ will be secured by, among other things a lien against the leasehold interest of Tenant in the Real Property created pursuant to a leasehold deed of trust (the "Leasehold Deed of Trust") to be executed by Tenant to _____, as Trustee for the benefit of Bank, which Deed of Trust shall be subordinate and inferior to the Ground Lease and Landlord's lien (contractual and statutory) and other rights thereunder and all terms and conditions thereof, which Deed of Trust shall be in substantially the form of the Deed of Trust attached hereto.

The Bank has advised Tenant that Bank requires the written acknowledgment of Landlord to the execution by Tenant of the above-described Deed of Trust and the written acknowledgment and consent of the Landlord to the statements set forth in this letter.

Therefore, by executing the enclosed copy of this letter and returning it to the undersigned, Landlord hereby specifically states as follows:

1. Landlord takes notice of the Leasehold Deed of Trust and the subordinate and inferior lien provided for therein being impressed solely against the leasehold interest of Tenant in the Real Property.
2. To the best of Landlord's actual knowledge, the Ground Lease has not been modified, altered or amended except as described herein.

3. Landlord has no actual knowledge of the existence of any lien against the Real Property other than that created by the Ground Lease and any lien for taxes as may be provided by law.
4. Landlord will give to Bank, at the address of Bank specified in this letter or at such other address as Bank may hereafter designate in writing to Landlord, prompt written notice of any default by Tenant under the Lease simultaneously with the giving of such notice to Tenant, and Bank shall have the right, but not the obligation, for a period of fifteen (15) days after its receipt of such notice or within any longer period of time specified in such notice, to take such action or to make such payment as may be necessary or appropriate to cure any such default so specified. Landlord shall not exercise Landlord's right to terminate the lease without first giving Bank the notice provided for herein and affording Bank the right to cure such default as provided for herein.
5. For the purposes of this letter, any notice to Bank may be delivered in person or shall be deemed to be delivered, whether actually received or not, when deposited in United States mail, postage prepaid, registered, or certified mail, return receipt requested, addressed to Bank at the above-described address.
6. If Bank or a third party (provided such third party is approved by Landlord in accordance with the terms of the Lease for approval of an assignee) succeeds to the interest of Tenant in and to the Lease and the Real Property by means of foreclosure under the Deed of Trust, by means of a transfer in lieu of such foreclosure, or by any other means due to the failure or inability of Tenant to pay the Loan secured by the Deed of Trust, Landlord shall thereafter accept, recognize and treat Bank or such approved third party as the tenant under the Lease and Landlord shall continue to perform all of its obligations under the Lease. Bank may thereafter, with the written consent of the Landlord, which consent shall not be unreasonably withheld or delayed, assign its leasehold right, title, and interest in and to the Ground Lease. For purposes hereof and any applicable law, and without limitation as to other grounds for Landlord withholding consent, it shall be deemed to be reasonable for Landlord to withhold its consent when any one or more of the following apply:
 - (a) the proposed assignee is of a character or of a reputation or is engaged in a business which is not consistent with the master or strategic plan of Addison Airport as determined by Landlord;
 - (b) the proposed assignee has not demonstrated sufficient financial responsibility or creditworthiness to the satisfaction of Landlord in light of the duties, obligations, and responsibilities of the tenant under the Ground Lease at the time when the consent is requested;
 - (c) the proposed assignee's intended use of the demised premises as defined in the Ground Lease is inconsistent with the Ground Lease;
 - (d) the proposed assignment would cause Landlord to be in violation of another lease or agreement to which Landlord is a party or to which Landlord or the Addison Airport is subject (including, without limitation, any grant agreements or grant assurances of the Federal Aviation Administration or any other governmental entity or agency);
 - (e) if at any time consent is requested or at any time prior to the granting of consent,

tenant is in default under the Ground Lease or would be in default under the Ground Lease but for the pendency of a grace or cure period; or

(f) the proposed assignee does not intend to occupy the entire demised premises as described in the Ground Lease and conduct its business therefrom for a substantial portion of the then remaining term of the Ground Lease.

For purposes hereof and any applicable law, and without limitation as to other grounds for Landlord delaying consent, it shall be deemed to be reasonable for Landlord to delay its consent for a period of 45 days after the receipt by Landlord of all information requested by Landlord regarding or in connection with the proposed assignment and the proposed assignee.

7. To the actual knowledge of Landlord no rent has been paid more than thirty (30) days in advance of its due date.

Very truly yours,

(Name of Bank)

By: _____

Name: _____

Its: _____

Acknowledged and consented to the _____ day of _____, 20____.

TOWN OF ADDISON, TEXAS

By: _____

By: _____

Name: _____

Its: _____

By: _____

By: _____

Name: _____

Its: _____

Cc: Real Estate Manager
Addison Airport
16051 Addison Road, Suite 220
Addison, Texas 75001

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

ASSIGNMENT OF GROUND LEASE

This Assignment of Ground Lease (the "Assignment") is entered into and effective as of _____ 2013, at Addison, Texas, by and between C.C. Hangar, LP (herein referred to as "Assignor") and Claire Chennault Partners, LLC, a Texas limited liability company (herein referred to as "Assignee").

WHEREAS, a Ground Lease was entered into on September 1, 1994 between the City of Addison, Addison Airport of Texas, Inc., ("Landlord" or "the City") and Parkway Jet, Inc. ("Tenant) for certain real property located at 4575 Claire Chennault Drive ("the Premises");

WHEREAS, the Ground Lease was assigned by Substitute Trustee's Deed to Franklin First Federal Savings Bank on May 7, 1991; and

WHEREAS, Franklin assigned the Ground Lease to Aquila Leasing Inc. on May 13, 1993; and

WHEREAS, Aquila Leasing assigned the ground lease to C. C. Hangar LP effective September 22, 2004; and

WHEREAS, the Ground Lease was amended at that time the ground lease was assigned to C.C. Hangar, LP to include, among other things, a 96-month lease extension due to improvements C.C. Hangar made to the property that exceeded \$350,000. The amendment also brought the ground lease to our current minimum standards.

WHEREAS, the parties acknowledge and agree the boundary survey dated _____ prepared by _____ Survey containing 1.138 acres as described therein is the true and correct legal description of the Demised Premises (a true and correct copy of said Survey is attached and incorporated herein by reference as Exhibit "A"); and

WHEREAS, by virtue of such assignments, amendments and/or modifications made to the Ground Lease Assignor is the Tenant under the Ground Lease (a true and correct copy of said Ground Lease in its entirety with all hereinabove said assignments, amendments and/modifications made thereto are attached and incorporated herein by reference as Exhibit "B"); and

WHEREAS, the Ground Lease provides that, upon the expiration or termination of that certain agreement referred to and defined in the Ground Lease as the "Base Lease" (and being an Agreement for Operation of the Addison Airport between the City and Addison Airport of Texas, Inc.), the City is entitled to all of the rights, benefits and

remedies, and will perform the duties, covenants and obligations, of the Landlord under the Ground Lease; and

WHEREAS, the said Base Lease has expired and the City is the Landlord under the Ground Lease; and

WHEREAS, the Ground Lease provides in Section 9 thereof that, without the prior written consent of the Landlord, the Tenant may not assign the Ground Lease or any rights of Tenant under the Ground Lease (except as provided therein), and that any assignment must be expressly subject to all the terms and provisions of the Ground Lease, and that any assignment must include a written agreement from the Assignee whereby the Assignee agrees to be bound by the terms and provisions of the Ground Lease; and

WHEREAS, Assignor desires to assign the Ground Lease to Assignee, and Assignee desires to accept the Assignment thereof in accordance with the terms and conditions of this Assignment.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions contained herein, the sufficiency of which are hereby acknowledged, the parties hereto, each intending to be legally bound agree as follows:

AGREEMENT

1. Assignor hereby assigns, bargains, sells, and conveys to Assignee, effective as of the date above, all of Assignor's right, title, duties, responsibilities, and interest in and to the Ground Lease, attached hereto as Exhibit B, TO HAVE AND TO HOLD the same, for the remaining term thereof, and Assignor does hereby bind itself and its successors and assigns to warrant and forever defend the same unto Assignee against every person or persons lawfully claiming any part thereof through Assignor.

2. Prior to the effective date of this Assignment, Assignee agrees to pay an Assignment Fee in the amount of Four Hundred Fifty Dollars and no/100 (\$450.00) to Landlord.

3. Assignee hereby agrees to assume and shall be bound by and comply with all of the terms, provisions, duties, conditions, and obligations of Tenant under the Ground Lease. For purposes of notice under the Ground Lease, the address of Assignee is:

Claire Chennault Partners, LLC
Attn. Mr. Rex Nichols, Manager
15800 Dooley Rd.
Addison, Texas 75001

4. Nothing in this Assignment shall be construed or be deemed to modify, alter, amend or change any term or condition of the Ground Lease, except as set forth herein.

5. Assignor acknowledges that in addition to any other remedies provided in the Ground Lease or by law, Landlord may at its own option, collect directly from the Assignee all rents becoming due under this Assignment and apply such rent against any sums due to Landlord. Assignor acknowledges that it does not owe Landlord any past rent, fees, charges, taxes, insurance payments, penalties or any other amounts at the time of this Assignment. No such collection by Landlord from any such Assignee or subtenant shall release Assignor from the payment or performance of Assignor's obligations under the Ground Lease.

6. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, ASSIGNOR IS ASSIGNING THIS GROUND LEASE TO ASSIGNEE "AS IS", "WHERE IS", AND WITH ALL FAULTS AND SPECIFICALLY AND EXPRESSLY WITHOUT ANY WARRANTIES, REPRESENTATIONS OR GUARANTEES, EITHER EXPRESS OR IMPLIED, OF ANY KIND, NATURE, OR TYPE WHATSOEVER FROM OR ON BEHALF OF THE GRANTOR.

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment on the day and the year first set forth above.

ASSIGNOR:

C.C. Hangar, LP

By: Mitchell Rosenthal, Manager of
MSR Spring Valley Investments, LLC,
General Partner

ASSIGNEE:

Claire Chennault Partners, LLC

By: Rex Nichols, Manager

ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Mitchell Rosenthal, manager of MSR Spring Valley Investments, LLC, general partner of C.C. Hangar LP, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this _____ day of _____, 2013.

[SEAL]

Notary Public, State of Texas

STATE OF TEXAS §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Rex Nichols, manager of Claire Chennault Partners, LLC, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this _____ day of _____, 2013.

[SEAL]

Notary Public, State of Texas

CONSENT OF LANDLORD

The Town of Addison, Texas ("Landlord") is the Landlord in the Ground Lease described in the Assignment of Ground Lease (the "Assignment") entered into and effective as of _____ 2013, at Addison, Texas, by and between C.C. Hangar, LP, a Texas limited partnership (herein referred to as "Assignor") and Claire Chennault Partners, LLC, a Texas limited liability company (herein referred to as "Assignee"). In executing this Consent of Landlord, Landlord is relying upon the warranty and representations made in the foregoing Assignment by both Assignor and Assignee, and in relying upon the same Landlord hereby consents to the foregoing Assignment from Assignor to Assignee. Notwithstanding this Consent, Landlord does not waive any of its rights under the Ground Lease as to the Assignor or the Assignee, and does not release Assignor from its covenants, obligations, duties, or responsibilities under or in connection with the Ground Lease, and Assignor shall remain liable and responsible for all such covenants obligations, duties, or responsibilities. In addition, notwithstanding any provisions of this Consent of Landlord or the above and foregoing Assignment to the contrary, this Consent shall not operate as a waiver of any prohibition against further assignment, transfer, conveyance, pledge, change of control, or subletting of the Ground Lease or the premises described therein without Landlord's prior written consent.

This consent is not intended and shall not be construed to waive any rights of the Town under the Ground Lease, to release or waive any claims of the Town against any tenant under or in connection with the Ground Lease or to release any tenant from any duties, obligations or liabilities under or in connection with the Lease.

This Consent shall be and remain valid only if and provided that, by no later than 6:00 o'clock p.m. on _____, _____, 2013:

(i) the Assignment has been executed and notarized by both Assignor and Assignee,

(ii) all other matters in connection with the transfer, sale, and/or conveyance by Assignor to Assignee of the Assignor's interest in the Ground Lease have been fully consummated and completed and the transaction closed as reasonably determined by Landlord (such matters including, without limitation, the full execution and finalization of this Assignment and any other documentation so required by Landlord relating to this transaction) and delivered to Landlord c/o Mr. Bill Dyer, Addison Airport Real Estate Manager, at 16051 Addison Road, Suite 220, Addison, Texas 75001. Otherwise, and failing compliance with and satisfaction of each all of paragraphs (i) and (ii) above, this Consent shall be null and void *ab initio* as if it had never been given and executed.

Signed this _____ day _____, 2013.

LANDLORD:

TOWN OF ADDISON, TEXAS

By: _____
Ron Whitehead, City Manager

On Bank Letterhead

(DATE)

RE: Ground Lease dated September 28, 1983, by and among the Town of Addison, Texas, a municipal corporation (the "City", the same being the Town of Addison, Texas) and Addison Airport of Texas, Inc., a Texas corporation, as Landlord (the City now being the sole Landlord under the Lease, the "Base Lease" (as defined in the Ground Lease) having expired, and the City alone being referred to herein as the "Landlord") and Parkway Jet, Inc., as tenant; the said Ground Lease then having been conveyed to Franklin First Federal Savings Bank by Substitute Trustee's Deed executed May 7, 1991; the said Ground Lease then having been assigned by Franklin First Federal Savings Bank to Aquila Leasing Company; the said Ground Lease then having been assigned by Aquila Leasing Company to C. C. Hangar L. P. the "Tenant" by that Assignment Agreement entered into on September 22, 2004, the said Ground Lease having been amended by that First Amendment to Ground Lease made effective September 22, 2004 (the said Ground Lease, as amended by the said First Amendment to Ground Lease, being referred to herein as the "Ground Lease") whereby Landlord leases to Tenant certain real property (the "Real Property") located at 4575 Claire Chennault at Addison Airport in Dallas County, Texas, as specifically described in the Ground Lease (and being approximately 1.138 acres in Dallas County, Texas), and being generally described as the "Demised Premises" in the Terms and Conditions set forth in the Ground Lease as amended.

Gentlemen/Mesdames:

SNB Bank of Dallas, a division of Stillwater National Bank (the "Bank") intends to make a loan to Claire Chennault Partners, LLP, a Texas, limited liability company, which loan (the "Loan") in the amount of \$_____ will be secured by, among other things a lien against the leasehold interest of Tenant in the Real Property created pursuant to a leasehold deed of trust (the "Leasehold Deed of Trust") to be executed by Tenant to _____, as Trustee for the benefit of Bank, which Deed of Trust shall be subordinate and inferior to the Ground Lease and Landlord's lien (contractual and statutory) and other rights thereunder and all terms and conditions thereof, which Deed of Trust shall be in substantially the form of the Deed of Trust attached hereto.

The Bank has advised Tenant that Bank requires the written acknowledgment of Landlord to the execution by Tenant of the above-described Deed of Trust and the written acknowledgment and consent of the Landlord to the statements set forth in this letter.

Therefore, by executing the enclosed copy of this letter and returning it to the undersigned, Landlord hereby specifically states as follows:

1. Landlord takes notice of the Leasehold Deed of Trust and the subordinate and inferior lien provided for therein being impressed solely against the leasehold interest of Tenant in the Real Property.
2. To the best of Landlord's actual knowledge, the Ground Lease has not been modified, altered or amended except as described herein.

3. Landlord has no actual knowledge of the existence of any lien against the Real Property other than that created by the Ground Lease and any lien for taxes as may be provided by law.
4. Landlord will give to Bank, at the address of Bank specified in this letter or at such other address as Bank may hereafter designate in writing to Landlord, prompt written notice of any default by Tenant under the Lease simultaneously with the giving of such notice to Tenant, and Bank shall have the right, but not the obligation, for a period of fifteen (15) days after its receipt of such notice or within any longer period of time specified in such notice, to take such action or to make such payment as may be necessary or appropriate to cure any such default so specified. Landlord shall not exercise Landlord's right to terminate the lease without first giving Bank the notice provided for herein and affording Bank the right to cure such default as provided for herein.
5. For the purposes of this letter, any notice to Bank may be delivered in person or shall be deemed to be delivered, whether actually received or not, when deposited in United States mail, postage prepaid, registered, or certified mail, return receipt requested, addressed to Bank at the above-described address.
6. If Bank or a third party (provided such third party is approved by Landlord in accordance with the terms of the Lease for approval of an assignee) succeeds to the interest of Tenant in and to the Lease and the Real Property by means of foreclosure under the Deed of Trust, by means of a transfer in lieu of such foreclosure, or by any other means due to the failure or inability of Tenant to pay the Loan secured by the Deed of Trust, Landlord shall thereafter accept, recognize and treat Bank or such approved third party as the tenant under the Lease and Landlord shall continue to perform all of its obligations under the Lease. Bank may thereafter, with the written consent of the Landlord, which consent shall not be unreasonably withheld or delayed, assign its leasehold right, title, and interest in and to the Ground Lease. For purposes hereof and any applicable law, and without limitation as to other grounds for Landlord withholding consent, it shall be deemed to be reasonable for Landlord to withhold its consent when any one or more of the following apply:
 - (a) the proposed assignee is of a character or of a reputation or is engaged in a business which is not consistent with the master or strategic plan of Addison Airport as determined by Landlord;
 - (b) the proposed assignee has not demonstrated sufficient financial responsibility or creditworthiness to the satisfaction of Landlord in light of the duties, obligations, and responsibilities of the tenant under the Ground Lease at the time when the consent is requested;
 - (c) the proposed assignee's intended use of the demised premises as defined in the Ground Lease is inconsistent with the Ground Lease;
 - (d) the proposed assignment would cause Landlord to be in violation of another lease or agreement to which Landlord is a party or to which Landlord or the Addison Airport is subject (including, without limitation, any grant agreements or grant assurances of the Federal Aviation Administration or any other governmental entity or agency);
 - (e) if at any time consent is requested or at any time prior to the granting of consent,

tenant is in default under the Ground Lease or would be in default under the Ground Lease but for the pendency of a grace or cure period; or

(f) the proposed assignee does not intend to occupy the entire demised premises as described in the Ground Lease and conduct its business therefrom for a substantial portion of the then remaining term of the Ground Lease.

For purposes hereof and any applicable law, and without limitation as to other grounds for Landlord delaying consent, it shall be deemed to be reasonable for Landlord to delay its consent for a period of 45 days after the receipt by Landlord of all information requested by Landlord regarding or in connection with the proposed assignment and the proposed assignee.

7. To the actual knowledge of Landlord no rent has been paid more than thirty (30) days in advance of its due date.

Very truly yours,

(Name of Bank)

By: _____

Name: _____

Its: _____

Acknowledged and consented to the _____ day of _____, 20____.

TOWN OF ADDISON, TEXAS

By: _____

By: _____

Name: _____

Its: _____

By: _____

By: _____

Name: _____

Its: _____

Cc: Real Estate Manager
Addison Airport
16051 Addison Road, Suite 220
Addison, Texas 75001

Special Meeting and Work Session

Meeting Date: 11/04/2013

Council Goals: N/A

Information

AGENDA CAPTION:

Presentation and discussion regarding City Manager succession planning process and staff assignments.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

N/A

Special Meeting and Work Session

Meeting Date: 11/04/2013

Council Goals: N/A

Information

AGENDA CAPTION:

Presentation and discussion of Budget Suites.

FINANCIAL IMPACT:

N/A

BACKGROUND:

See attached memo.

RECOMMENDATION:

N/A

Attachments

Budget Suites Memo



MEMO

To: The Honorable Mayor and Council

From: Charles Goff

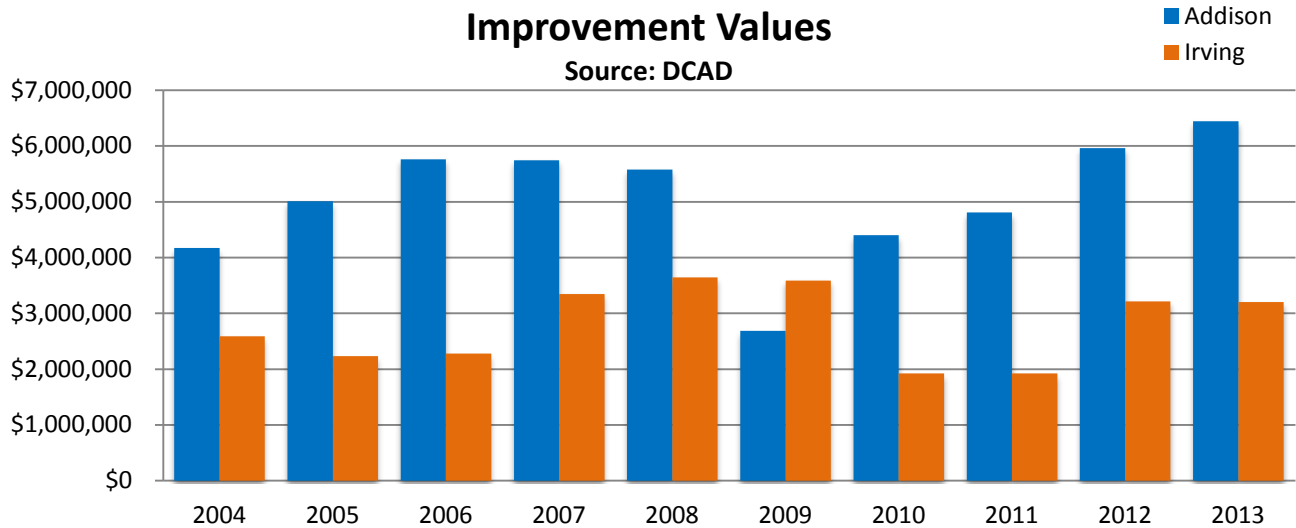
Re: Budget Suites of America

Date: Friday, November 1, 2013

Mayor and Council.

In anticipation of the Budget Suites of America discussion at the November 4th Work Session, staff would like to provide the Council with some history and background information related to the site.

Budget Suites of America in Addison was approved by the Council in 1998 through Ordinance 098-048 which provides a Special Use Permit for a hotel or motel. At that time, both staff and administration recommended denial of the proposal. To improve the appearance of the development, the Town required interior hallways, mechanical equipment screenings, dumpster enclosures, and additional landscaping. These mandated improvements helped produce a more valuable product that has better maintained its value when compared to other Budget Suites products. This is seen when you compare the Addison location, constructed in 1999 with 344 suites, to a comparable location in Irving, constructed in 1998 with 336 suites, and remove the underlying land values. The chart below details the DCAD values for the improvements only at both Budget Suites properties.



This shows that over the last 10 years, the Addison location dropped in value during the recession, and has since rebounded to reach its highest amount during this period. The Irving location, however, is still valued below its pre-recession peak. For the current fiscal year, Budget Suites in Addison will pay \$46,626.46 in property taxes.

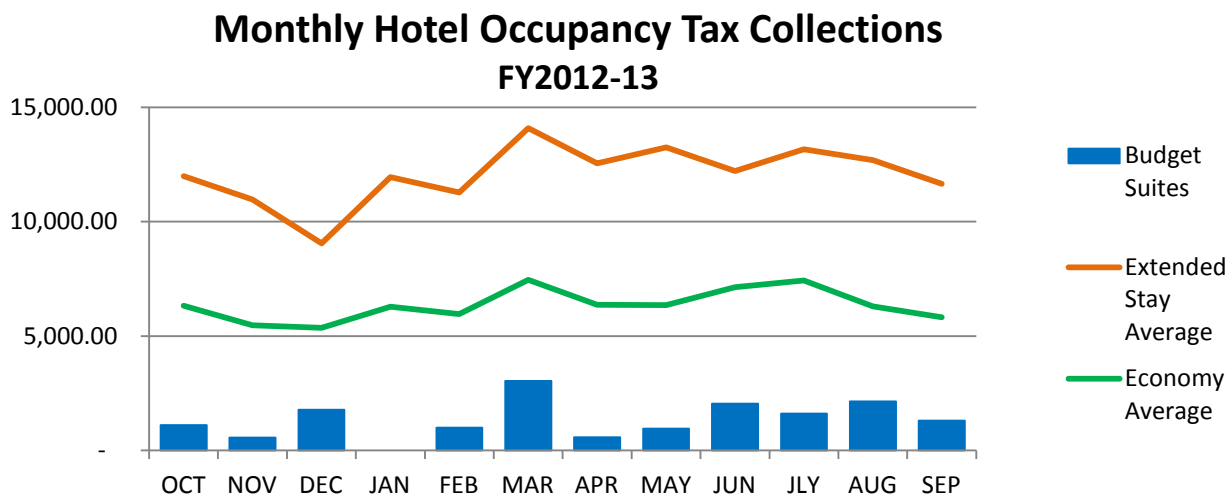
From the beginning, this property has operated more like an apartment than a hotel. This is consistent with the company's national operating model in which they promote themselves as a "hybrid between a typical hotel and an apartment" with a minimum rental period of one week. Occupants can stay indefinitely with no long-term lease required.

The question has been raised regarding if this is in compliance with the zoning that was approved by the Council. A Hotel or Motel use is defined in the Code of Ordinances as, “a building or arrangement of buildings designed and occupied as a temporary abiding place for guests who are lodged with or without meals, in which the rooms are usually occupied singly or in suites of two rooms for hire.” Staff has researched how other cities address hotels with this type of operating model and has found that certain cities have attempted to further define “temporary” by establishing a maximum number of nights that a person can occupy a room. However, this approach has failed to prevent permanent residency because occupants get around this by alternating having their partner or other family members lease the room.

Staff was also asked to determine if the Town would have required that the site be developed differently for multi-family residential use. Staff would not have supported a residential use on this site, but if one had been approved by the Council, staff would have worked to require more open space for the residents. In addition, there are a few building requirements that would have stipulated separate water and electricity to metering for each unit per State law. A multi-family residential use would also have called for additional receptacles in each unit and required that the circuits for the kitchenettes could only have supplied power to the appliance receptacles in that area.

Hotel Occupancy Tax

Below is a chart detailing the hotel occupancy tax collections for Budget Suites compared to the monthly average collections for all extended stay hotels as well as economy hotels in Addison. You will see that Budget Suites is significantly lower than the average.



A full detail of all hotel occupancy tax collections for each hotel can be found at the end of this Memo. There are two potential reasons for Budget Suite’s low collection numbers: either they are not following State law or a significant portion of their business is exempt.

In the State of Texas, there are three types of guests that may claim exemption from state hotel tax:

(1) certain non-profit entities, (2) government, (3) permanent residents. The following rule defines permanent resident:

Permanent 30-Day Rule - Guests who occupy a hotel room for 30 or more consecutive days are considered permanent residents and are exempt from hotel tax. There can be no interruption of payment during that period. Guests who notify the hotel in writing of their intention to stay 30 or more

consecutive days will be exempt from the date of notification. Guests who do not notify the hotel must pay the tax for the first 30 days and thereafter will be exempt.

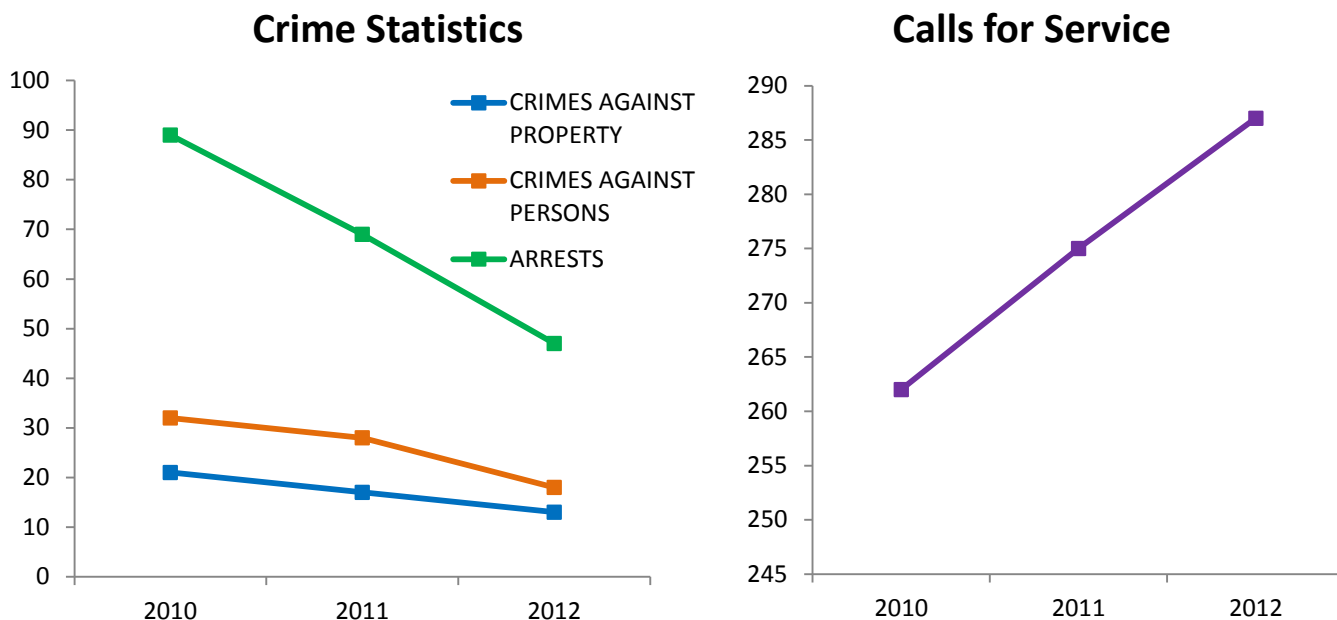
Because of this rule, Budget Suites is not required to collect hotel occupancy tax from many of its customers because they are staying there longer than 30 days. The Town routinely conducts audits on all the hotels in Addison to verify that they are remitting the appropriate tax amounts. Budget Suites was last audited in 2011 and was found to be in compliance with State law.

Code Enforcement

Staff has had very few code complaints at this location. In the past three years, they have mainly involved inoperable vehicles in the parking lot or some minor outside storage which was abated. Since there were only a few, no tally was kept of the violations. However, Development Services is now logging in all code complaints on a monthly schedule and, if any arise in the future, they will be recorded in that report.

Public Safety

Improving public safety at this location continues to be a focus of the Police Department’s Hotel and Business Retention Unit (HBRU). When looking at the previous three years, crime is trending down. However, the number of calls for service is trending higher. The chart below summarizes these trends at Budget Suites.



Additional crime statistics are attached to the memo and include comparisons to other hotels in Addison. That information also standardizes the information across the different hotels, by showing the information per 100 rooms to account for different property sizes. The data shows that we are having success in this area.

Conclusion

Staff continues to work internally, as well as with auditing entities and the Texas Hotel and Lodging Association, to monitor these issues, but staff is requesting further Council direction at the work session. Please feel free to contact me at any time with questions or if staff can provide you with any other information on this topic. I can be reached via email at cgoff@addisontx.gov or by phone at 972-450-7027.

Hotel Occupancy Tax Collections
Fiscal Year 2012-13

Full Service	ROOMS	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTALS
Marriott Quorum	535	78,934.83	53,347.69	45,836.29	84,508.33	71,894.60	68,493.13	75,275.29	67,073.02	65,607.18	61,904.84	64,319.43	60,591.86	797,786.49
Intercontinental	532	63,222.23	62,064.16	36,530.56	99,099.59	84,525.10	80,678.01	82,976.75	60,998.31	73,999.26	63,070.40	73,216.57	64,404.02	844,784.96
Crowne Plaza	429	45,829.45	34,870.57	23,949.52	41,940.54	43,789.26	55,055.02	47,322.22	44,917.14	41,250.62	32,232.66	22,542.46	33,517.43	467,216.89
														<u>2,109,788.34</u>
Extended Stay														
Budget Suites	344	1,110.68	570.00	1,782.65	-	992.10	3,034.75	582.53	956.74	2,041.02	1,609.96	2,149.72	1,301.31	16,131.46
Hawthorne Suites	70	6,423.55	5,256.32	4,114.07	5,494.13	4,425.65	4,537.11	5,307.38	4,892.64	5,301.57	5,329.88	5,020.64	3,913.23	60,016.17
Marriott Residence	150	16,364.96	14,226.69	11,052.69	11,806.57	11,862.88	15,522.61	16,097.99	17,952.62	19,141.64	17,423.42	19,243.64	18,585.57	189,281.28
Summerfield Suites	132	14,478.51	14,384.78	9,415.26	15,445.43	13,555.79	19,808.16	12,891.32	17,389.70	9,431.81	16,472.22	12,758.67	10,900.60	166,932.25
Homewood Suites	128	15,862.56	15,226.84	15,169.61	17,256.37	16,275.97	21,065.25	17,045.06	16,262.32	18,827.09	17,723.28	18,968.44	16,183.31	205,866.10
Springhill Suites	159	17,697.17	16,146.20	12,824.94	21,648.83	20,584.62	20,557.39	23,344.82	22,081.11	18,514.63	20,417.81	18,008.05	19,059.54	230,885.11
														<u>869,112.37</u>
Business Moderate														
Addison Courtyard	145	13,096.26	12,507.37	10,993.03	17,302.57	17,408.47	16,217.97	15,034.25	13,567.90	16,242.51	15,124.16	12,805.49	14,402.99	174,702.97
LaQuinta Inn	152	13,366.40	10,215.50	9,511.35	11,717.35	10,290.26	14,143.93	15,214.38	13,562.96	14,516.99	16,398.19	14,121.61	12,529.03	155,587.95
Marriott Courtyard	176	23,663.75	18,643.08	17,772.59	27,250.87	26,957.09	27,518.74	29,136.47	26,773.63	28,854.14	25,977.60	25,255.92	24,058.36	301,862.24
Holiday Inn Express	102	14,049.64	10,371.98	10,467.84	12,141.12	12,360.03	12,823.25	13,598.60	12,310.30	13,538.24	13,881.42	12,728.87	11,147.26	149,418.55
Hilton Garden Inn	96	17,558.14	13,018.52	11,802.79	14,931.05	15,322.97	16,041.06	17,196.34	15,919.56	16,613.27	13,178.19	15,239.09	14,358.61	181,179.59
Holiday Inn - Arapaho	101	10,180.38	7,228.41	5,682.77	9,530.15	8,646.67	8,650.26	9,478.14	8,383.28	8,583.49	8,640.22	7,225.73	8,328.45	100,557.95
Comfort Inn	78	5,908.17	5,475.32	5,008.76	6,468.11	6,201.11	8,383.83	5,839.16	6,670.82	6,457.39	7,321.98	6,435.30	6,204.44	76,374.39
														<u>1,139,683.64</u>
Economy														
Motel 6	126	5,649.60	5,816.25	5,391.97	5,005.97	5,303.02	6,816.29	5,745.26	5,796.63	6,867.07	7,759.12	7,151.67	6,468.88	73,771.73
Hampton Inn	159	19,486.68	15,503.74	15,340.99	19,084.98	17,349.76	19,957.54	18,177.97	17,811.42	19,757.71	19,936.75	16,236.22	15,435.65	214,079.41
Quality Inn	115	3,880.10	2,695.84	2,563.83	3,579.69	2,860.26	4,108.00	3,465.32	3,797.69	4,860.56	4,309.36	4,101.55	3,521.66	43,743.86
Best Western	86	4,536.42	5,193.89	5,163.71	6,006.53	5,857.21	7,969.28	6,363.97	6,600.51	7,274.58	7,009.21	6,477.00	6,197.40	74,649.71
Super 8	78	3,347.64	2,507.96	2,484.65	2,931.09	3,004.56	4,457.43	3,378.43	2,902.23	3,006.78	4,444.81	2,430.99	2,093.04	36,989.61
Best Value	60	1,056.20	1,108.91	1,233.79	1,081.45	1,376.52	1,413.31	1,075.54	1,235.47	1,088.40	1,171.26	1,369.95	1,243.42	14,454.22
														<u>457,688.54</u>

Hotel Crime Information 2010-2012

CRIMES AGAINST PROPERTY

	Totals			Crime per 100 Rooms		
	2010	2011	2012	2010	2011	2012
MARRIOTT QUORUM	8	9	2	1.46	1.65	0.37
INTERCONTINENTAL	13	14	18	2.33	2.5	3.22
CROWNE PLAZA	16	12	12	3.55	2.66	2.66
SUITES OF AMERICA	21	17	13	6.1	4.94	3.78
MOTEL 6	13	13	7	10.24	10.24	5.51
SPRING HILL SUITES	2	2	10	1.26	1.26	6.29
HOLIDAY INN EXPRESS	2	1	4	1.59	0.79	3.17

CRIMES AGAINST PERSONS

	Totals			Crime per 100 Rooms		
	2010	2011	2012	2010	2011	2012
MARRIOTT QUORUM	1	1	4	0.18	0.18	0.73
INTERCONTINENTAL	6	10	1	1.07	1.79	0.18
CROWNE PLAZA	0	2	2	0	0.44	0.44
SUITES OF AMERICA	32	28	18	9.3	8.14	5.23
MOTEL 6	3	3	7	2.36	2.36	5.51
SPRING HILL SUITES	0	1	0	0	0.63	0
HOLIDAY INN EXPRESS	1	2	0	0.79	1.59	0

TOTAL PERSONS/PROPERTY

	Totals			Crime per 100 Rooms		
	2010	2011	2012	2010	2011	2012
MARRIOTT QUORUM	9	10	6	1.65	1.83	1.1
INTERCONTINENTAL	19	24	19	3.4	4.29	3.4
CROWNE PLAZA	16	14	14	3.55	3.1	3.1
SUITES OF AMERICA	53	45	31	15.41	13.08	9.01
MOTEL 6	16	16	14	12.6	12.6	11.02
SPRING HILL SUITES	2	3	10	1.26	1.89	6.29
HOLIDAY INN EXPRESS	3	3	4	2.38	2.38	3.17

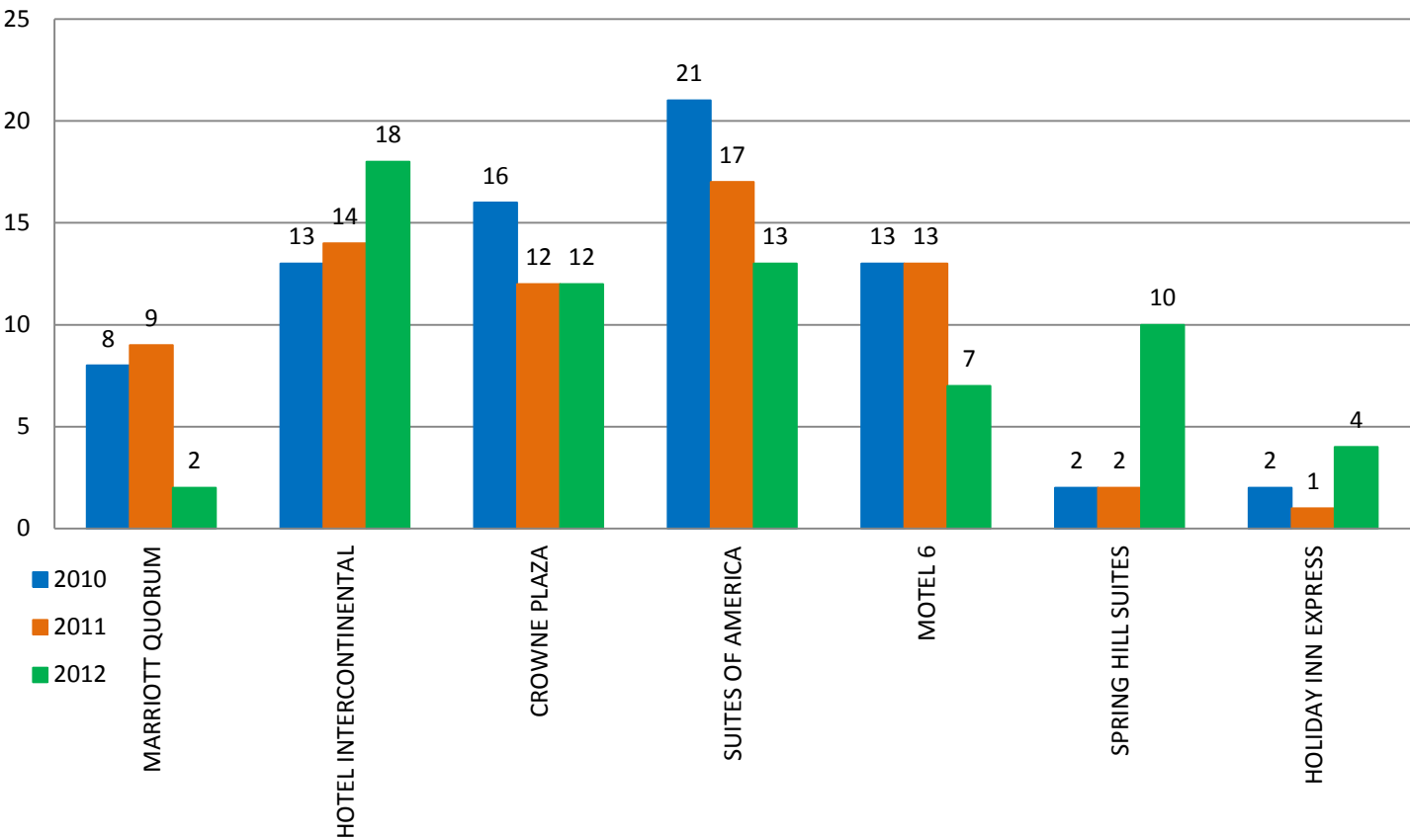
ARRESTS

	Totals			Crime per 100 Rooms		
	2010	2011	2012	2010	2011	2012
MARRIOTT QUORUM	7	10	9	1.28	1.83	1.65
INTERCONTINENTAL	5	6	9	0.89	1.07	1.61
CROWNE PLAZA	13	6	5	2.88	1.33	1.11
SUITES OF AMERICA	89	69	47	25.87	20.06	13.66
MOTEL 6	30	55	54	23.62	43.31	42.52
SPRING HILL SUITES	6	6	0	3.77	3.77	0
HOLIDAY INN EXPRESS	9	3	4	7.14	2.38	3.17

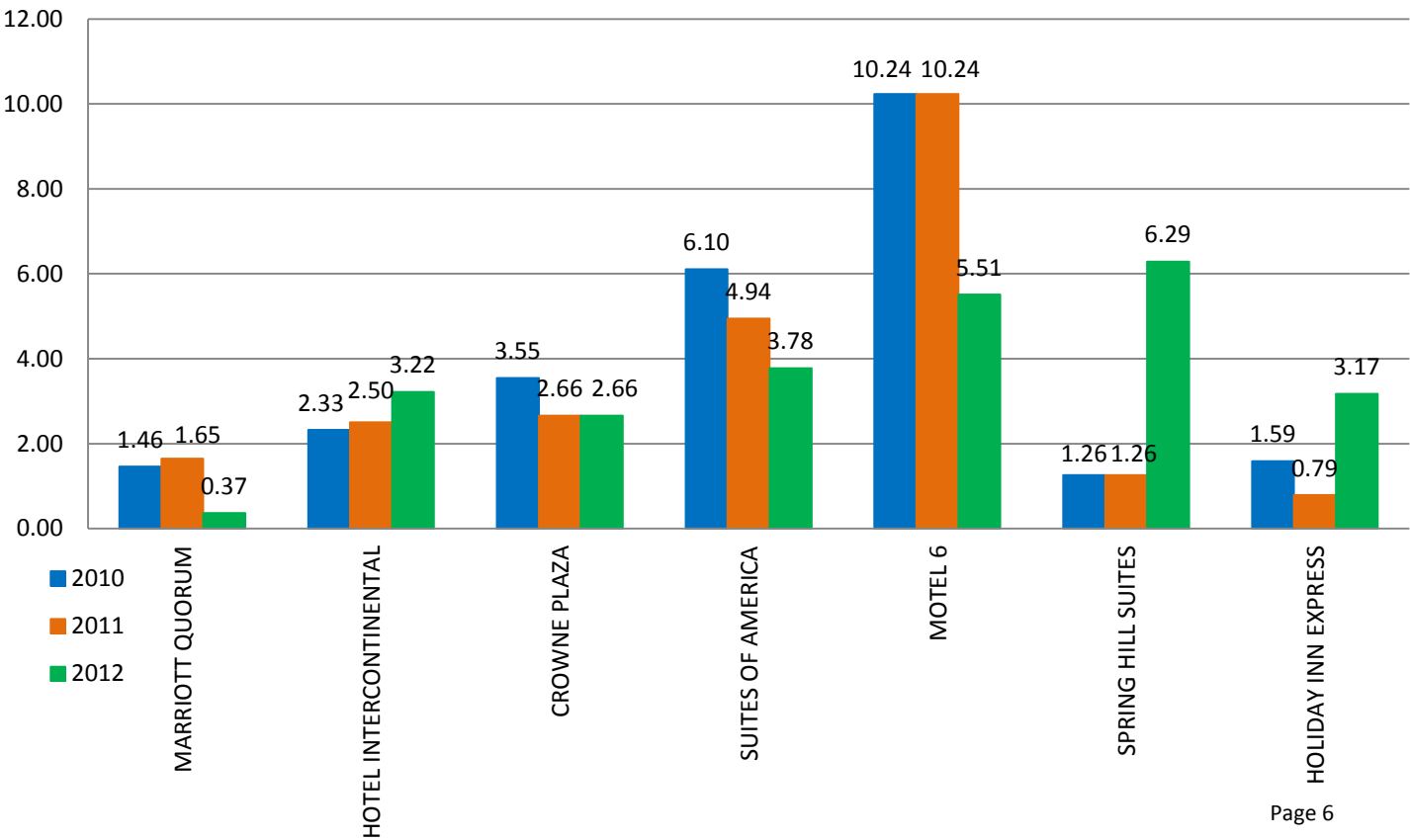
CALLS FOR SERVICE

	Totals			Crime per 100 Rooms		
	2010	2011	2012	2010	2011	2012
MARRIOTT QUORUM	66	53	45	12.07	9.69	8.23
INTERCONTINENTAL	76	57	106	13.6	10.2	18.96
CROWNE PLAZA	41	54	57	9.09	11.97	12.64
SUITES OF AMERICA	262	275	287	76.16	79.94	83.43
MOTEL 6	105	120	137	82.68	94.49	107.87
SPRING HILL SUITES	28	33	22	17.61	20.75	13.84
HOLIDAY INN EXPRESS	25	25	21	19.84	19.84	16.67

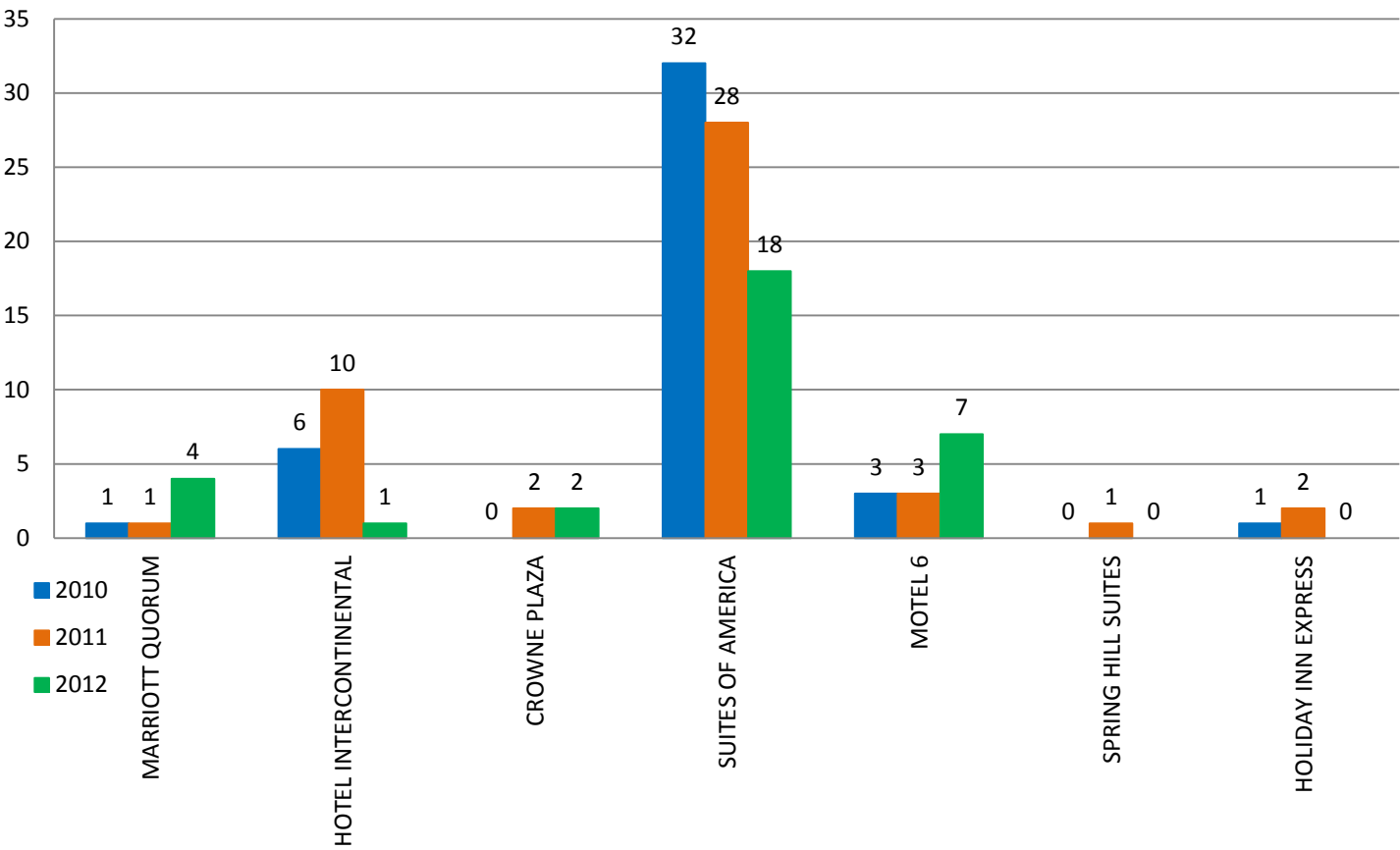
CRIMES AGAINST PROPERTY



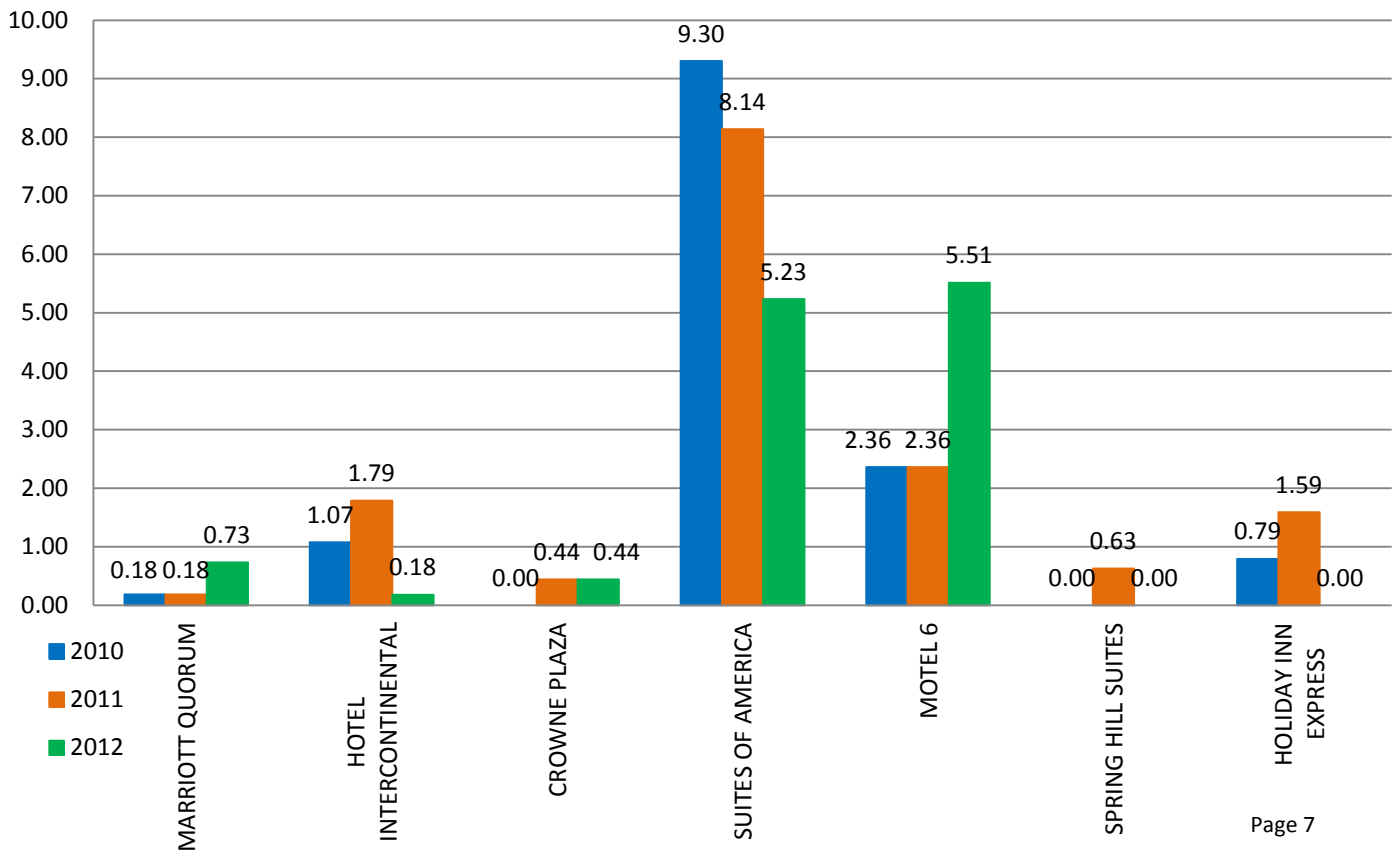
Property Crimes per 100 Rooms



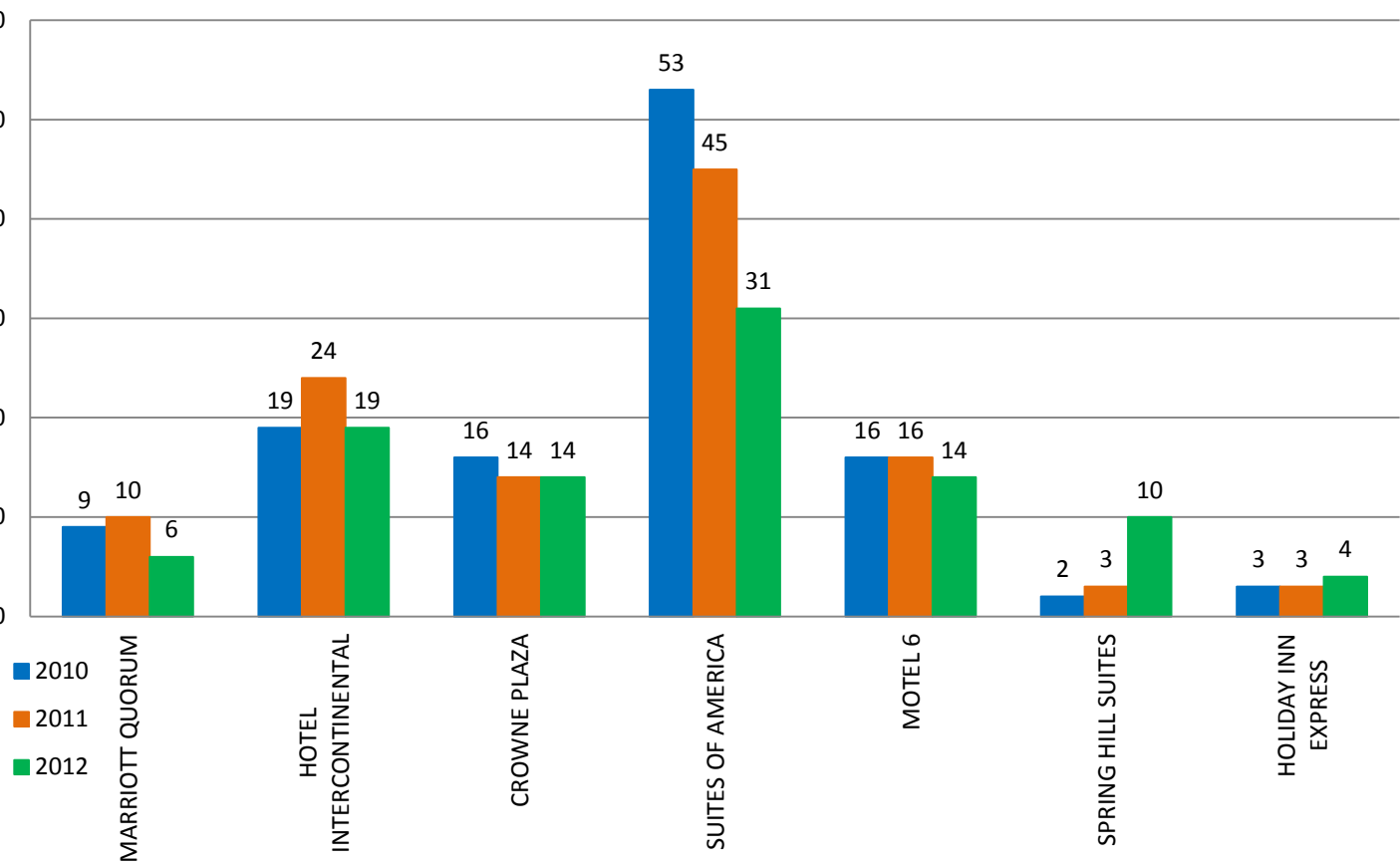
CRIMES AGAINST PERSONS



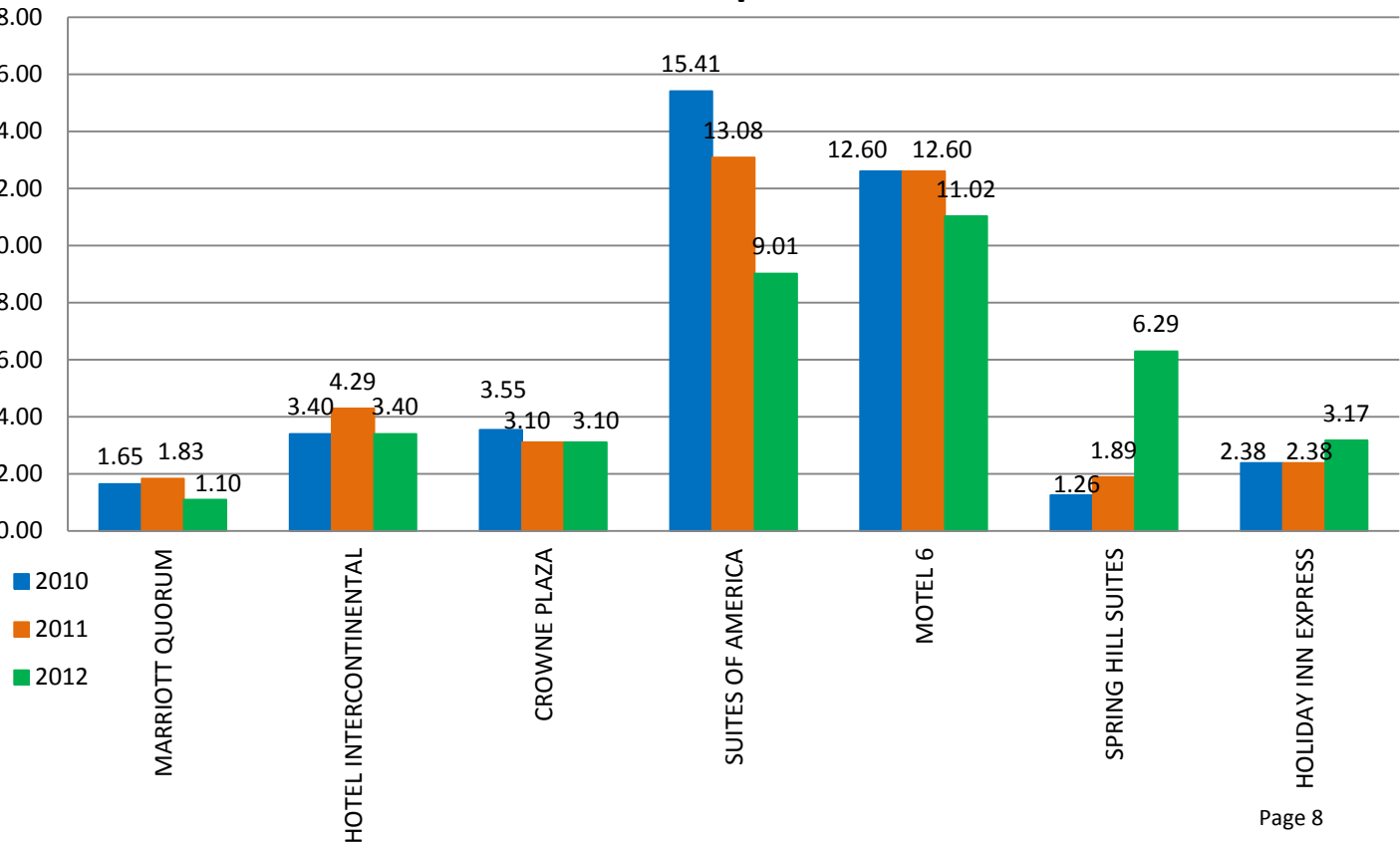
Persons Crimes per 100 Rooms



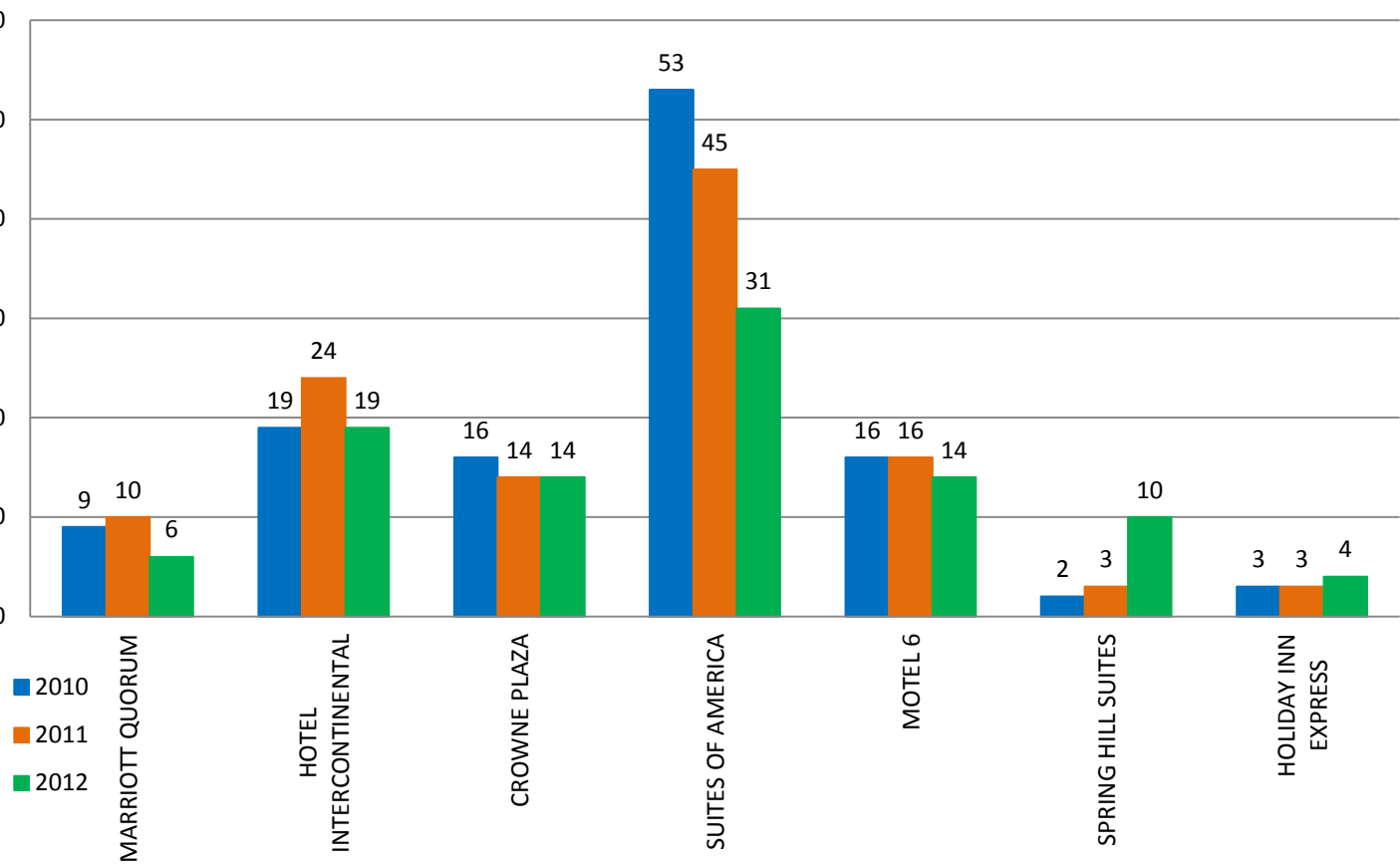
TOTAL PERSONS/PROPERTY CRIMES



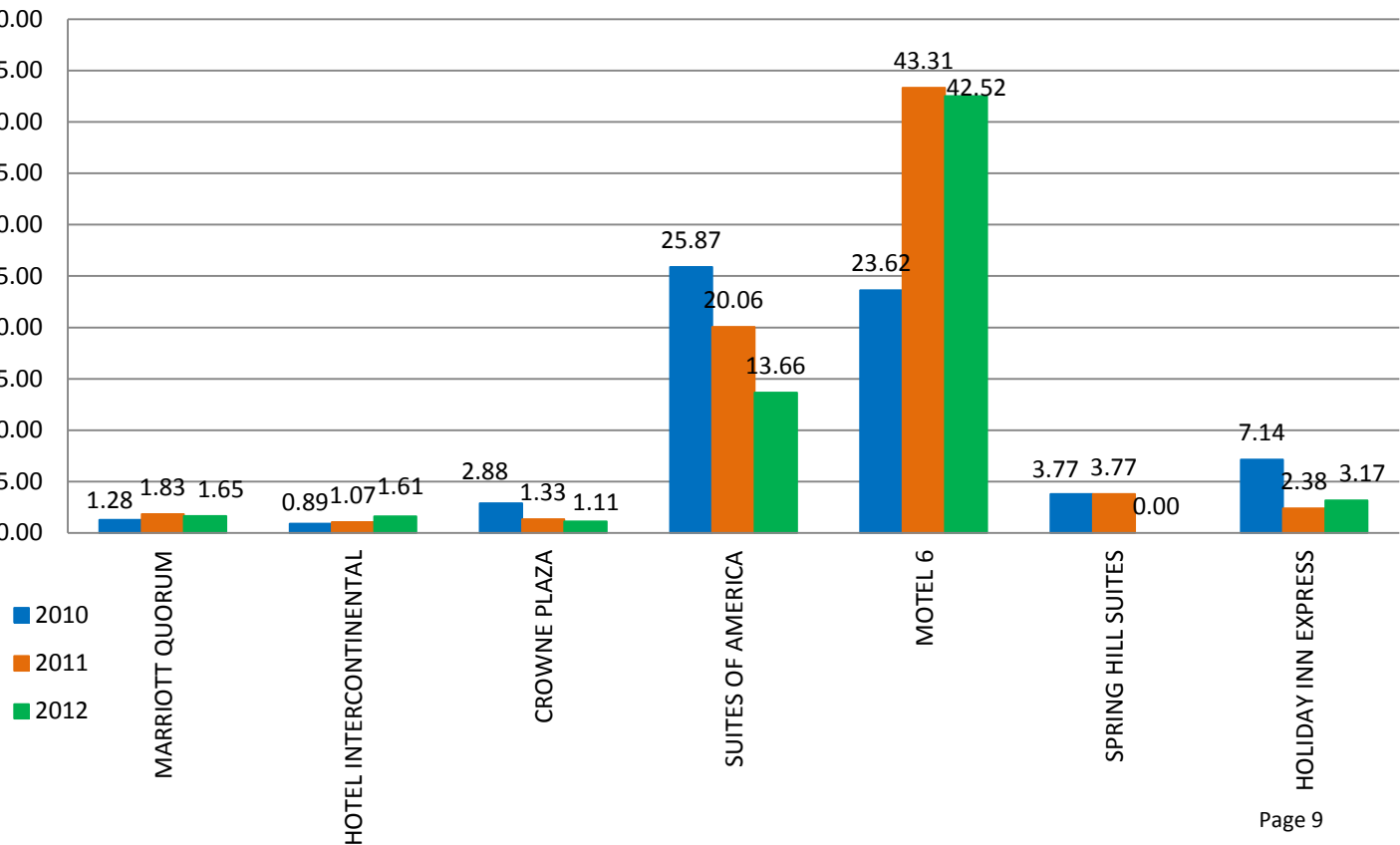
Total Crimes per 100 Rooms



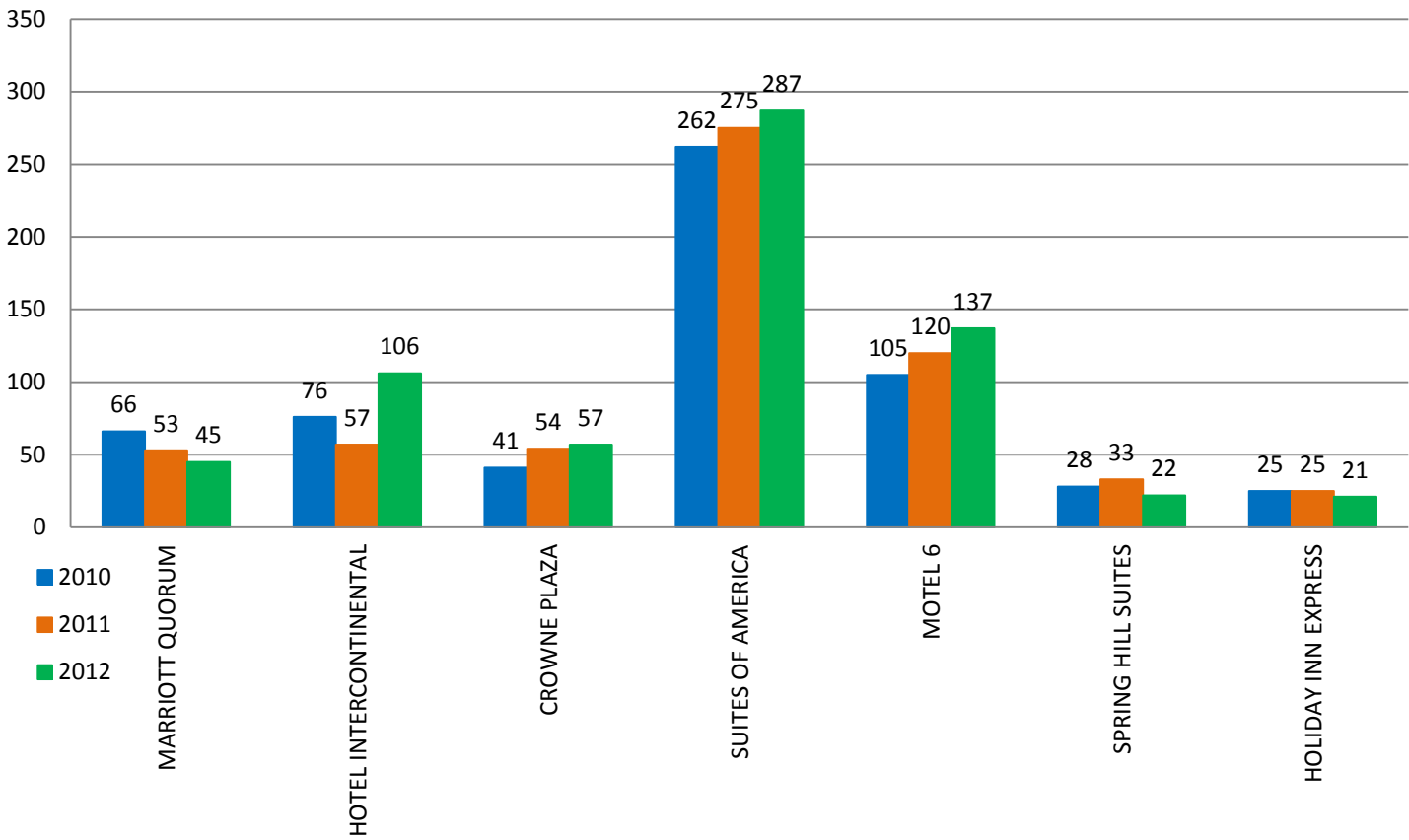
TOTAL PERSONS/PROPERTY CRIMES



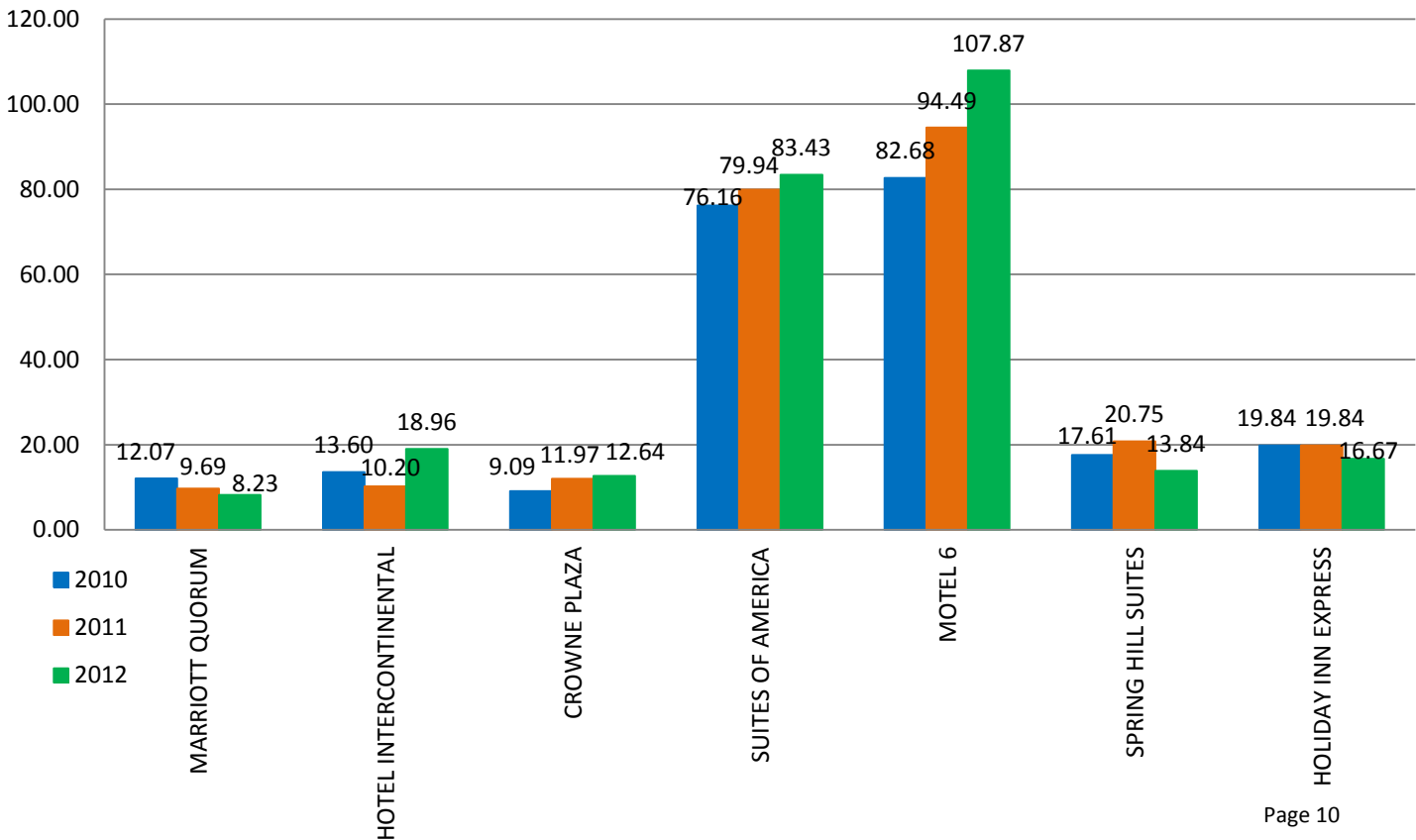
Arrests per 100 Rooms



CALLS FOR SERVICE



Calls for Service per 100 Rooms



Special Meeting and Work Session

Meeting Date: 11/04/2013

Council Goals: N/A

Create and Implement a strategy for Town Owned Real Estate

Information

AGENDA CAPTION:

Presentation and discussion of the Town's code enforcement.

FINANCIAL IMPACT:

N/A

BACKGROUND:

Information is provided in the attached memo and Staff will answer any questions Council may have.

RECOMMENDATION:

N/A

Attachments

Code Violation Memo

Code Violation Example

To: Ron Whitehead, City Manager

From: Lynn Chandler, Building Official

Date: November 1, 2013

Subject: Code Violation Process

The first step taken when there is a violation is to contact the responsible person. The code violation is explained to them, and they are given a verbal notice to correct it. The Inspector makes a judgment call in the field on the amount of time allowed to the person to get the problem corrected. The amount of time given depends on the nature and severity of the problem.

If the violation has not been corrected in the time frame verbally given by the inspector, a written notice is then sent to the responsible person. The notice is sent both by certified mail and regular mail. The notice must contain the following:

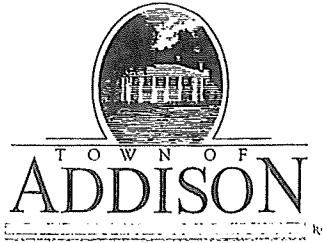
1. Date of violation.
2. Responsible person's name and address.
3. Inspector's name.
4. Subject property's DCAD legal description.
5. Section of the code that is in violation and any pictures or other relevant documentation.
6. A correction order allowing a reasonable time to make the repairs and improvements required to bring the issue into compliance
7. A copy of Section 111, Means of Appeal, outlining the process the property owner can take to appeal the correction order. Section 111 provides that the offender has 20 days after the date the notice is service during which to file an appeal. If the offender files an appeal, the Board of Zoning Adjustment, which is also authorized to hear appeals to the fence ordinance and other codes, shall hold a meeting to hear the appeal. The Board of Zoning Adjustment shall meet within 20 days of the filing of the appeal to hear the case. All hearings before the Board shall be open to the public. The appellant, the appellant's representative, the Building Official, and any person whose interests are affected shall be given an opportunity to be heard.
8. Penalties that may be assessed if violation is not corrected.
9. Phone number of the Building Official for any questions or requests for additional information.

If the violation has not been corrected, or the appeal process has not been requested in the time frame given in the written notice, a complaint is then filed on the responsible person in

Municipal Court. All documentation is submitted along with the complaint form to the Court to begin the prosecution process. At that point it is then up to the Court to process the complaint. I have also included a sample of a notice of violation.

I would like to point out that even though the responsible person has the right to appeal the decision of the Building Official they do not have the right to appeal a code requirement. The intent of this section is not to waive a requirement but to appeal the Building Official's interpretation of the code or decision not to accept an alternate equivalency of protection to the code requirement. In an instance such as this, I would consult the Town's prosecuting attorney to see if their request had any validity before proceeding with any appeal process.

This violation is also entered into the monthly code process report and updated as needed.



BUILDING INSPECTION DEPARTMENT

(972) 450-2880 Fax: (972) 450-2837

16801 Westgrove

Post Office Box 9010 Addison, Texas 75001-9010

Notice of Violation

Date of Violation: 7 May 2013

To: [REDACTED]
[REDACTED]
Addison, Texas
75001

From: Bruce Ellis
Building Inspector

Subject: Property Maintenance – [REDACTED]

Please be advised that the Town of Addison Building Inspection department has determined that your wood fence along the alleyway adjacent to the electrical transformer enclosure is violation of the 2009 International Property Maintenance Code – Section 302.7 Accessory structures. (attachment)

Additionally – Please see attachments regarding Means of Appeal Section 111 (attachment) and Prosecution of Violation Section 106.3 (attachment) which provides the town a right to file a lien.

Failure to correct this property maintenance violation within 30 days from date of this notice may result in fines up to \$500.00 each day the violation continues until the condition is corrected.

Should you have any questions or need additional information please call me at 975.450.2888.

cc: Lynn Chandler ✓
Building Official

Carmen Moran
Director of Developmental Services



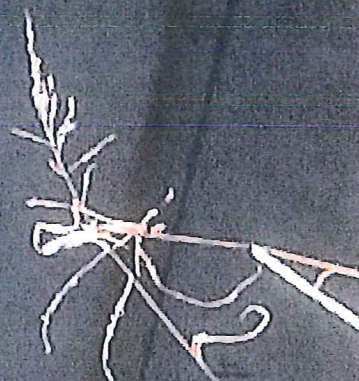


CAUTION
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CHAPTER 3

GENERAL REQUIREMENTS

SECTION 301 GENERAL

301.1 Scope. The provisions of this chapter shall govern the minimum conditions and the responsibilities of persons for maintenance of structures, equipment and exterior property.

301.2 Responsibility. The owner of the premises shall maintain the structures and exterior property in compliance with these requirements, except as otherwise provided for in this code. A person shall not occupy as owner-occupant or permit another person to occupy premises which are not in a sanitary and safe condition and which do not comply with the requirements of this chapter. Occupants of a dwelling unit, rooming unit or housekeeping unit are responsible for keeping in a clean, sanitary and safe condition that part of the dwelling unit, rooming unit, housekeeping unit or premises which they occupy and control.

301.3 Vacant structures and land. All vacant structures and premises thereof or vacant land shall be maintained in a clean, safe, secure and sanitary condition as provided herein so as not to cause a blighting problem or adversely affect the public health or safety.

SECTION 302 EXTERIOR PROPERTY AREAS

302.1 Sanitation. All exterior property and premises shall be maintained in a clean, safe and sanitary condition. The occupant shall keep that part of the exterior property which such occupant occupies or controls in a clean and sanitary condition.

302.2 Grading and drainage. All premises shall be graded and maintained to prevent the erosion of soil and to prevent the accumulation of stagnant water thereon, or within any structure located thereon.

Exception: Approved retention areas and reservoirs.

302.3 Sidewalks and driveways. All sidewalks, walkways, stairs, driveways, parking spaces and similar areas shall be kept in a proper state of repair, and maintained free from hazardous conditions.

302.4 Weeds. All premises and exterior property shall be maintained free from weeds or plant growth in excess of (jurisdiction to insert height in inches). All noxious weeds shall be prohibited. Weeds shall be defined as all grasses, annual plants and vegetation, other than trees or shrubs provided; however, this term shall not include cultivated flowers and gardens.

Upon failure of the owner or agent having charge of a property to cut and destroy weeds after service of a notice of violation, they shall be subject to prosecution in accordance with Section 106.3 and as prescribed by the authority having jurisdiction. Upon failure to comply with the notice of violation, any duly authorized employee of the jurisdiction or contractor hired by the jurisdiction shall be authorized to enter upon the

property in violation and cut and destroy the weeds growing thereon, and the costs of such removal shall be paid by the owner or agent responsible for the property.

302.5 Rodent harborage. All structures and exterior property shall be kept free from rodent harborage and infestation. Where rodents are found, they shall be promptly exterminated by approved processes which will not be injurious to human health. After extermination, proper precautions shall be taken to eliminate rodent harborage and prevent reinfestation.

302.6 Exhaust vents. Pipes, ducts, conductors, fans or blowers shall not discharge gases, steam, vapor, hot air, grease, smoke, odors or other gaseous or particulate wastes directly upon abutting or adjacent public or private property or that of another tenant.

302.7 Accessory structures. All accessory structures, including detached garages, fences and walls, shall be maintained structurally sound and in good repair.

302.8 Motor vehicles. Except as provided for in other regulations, no inoperative or unlicensed motor vehicle shall be parked, kept or stored on any premises, and no vehicle shall at any time be in a state of major disassembly, disrepair, or in the process of being stripped or dismantled. Painting of vehicles is prohibited unless conducted inside an approved spray booth.

Exception: A vehicle of any type is permitted to undergo major overhaul, including body work, provided that such work is performed inside a structure or similarly enclosed area designed and approved for such purposes.

302.9 Defacement of property. No person shall willfully or wantonly damage, mutilate or deface any exterior surface of any structure or building on any private or public property by placing thereon any marking, carving or graffiti.

It shall be the responsibility of the owner to restore said surface to an approved state of maintenance and repair.

SECTION 303 SWIMMING POOLS, SPAS AND HOT TUBS

303.1 Swimming pools. Swimming pools shall be maintained in a clean and sanitary condition, and in good repair.

303.2 Enclosures. Private swimming pools, hot tubs and spas, containing water more than 24 inches (610 mm) in depth shall be completely surrounded by a fence or barrier at least 48 inches (1219 mm) in height above the finished ground level measured on the side of the barrier away from the pool. Gates and doors in such barriers shall be self-closing and self-latching. Where the self-latching device is less than 54 inches (1372 mm) above the bottom of the gate, the release mechanism shall be located on the pool side of the gate. Self-closing and self-latching gates shall be maintained such that the gate will positively close and latch when released from an open position of 6 inches (152 mm) from the gatepost. No existing pool enclosure

106.2 Notice of violation. The code official shall serve a notice of violation or order in accordance with Section 107.

106.3 Prosecution of violation. Any person failing to comply with a notice of violation or order served in accordance with Section 107 shall be deemed guilty of a misdemeanor or civil infraction as determined by the local municipality, and the violation shall be deemed a strict liability offense. If the notice of violation is not complied with, the code official shall institute the appropriate proceeding at law or in equity to restrain, correct or abate such violation, or to require the removal or termination of the unlawful occupancy of the structure in violation of the provisions of this code or of the order or direction made pursuant thereto. Any action taken by the authority having jurisdiction on such premises shall be charged against the real estate upon which the structure is located and shall be a lien upon such real estate.

106.4 Violation penalties. Any person who shall violate a provision of this code, or fail to comply therewith, or with any of the requirements thereof, shall be prosecuted within the limits provided by state or local laws. Each day that a violation continues after due notice has been served shall be deemed a separate offense.

106.5 Abatement of violation. The imposition of the penalties herein prescribed shall not preclude the legal officer of the jurisdiction from instituting appropriate action to restrain, correct or abate a violation, or to prevent illegal occupancy of a building, structure or premises, or to stop an illegal act, conduct, business or utilization of the building, structure or premises.

SECTION 107 NOTICES AND ORDERS

107.1 Notice to person responsible. Whenever the code official determines that there has been a violation of this code or has grounds to believe that a violation has occurred, notice shall be given in the manner prescribed in Sections 107.2 and 107.3 to the person responsible for the violation as specified in this code. Notices for condemnation procedures shall also comply with Section 108.3.

107.2 Form. Such notice prescribed in Section 107.1 shall be in accordance with all of the following:

1. Be in writing.
2. Include a description of the real estate sufficient for identification.
3. Include a statement of the violation or violations and why the notice is being issued.
4. Include a correction order allowing a reasonable time to make the repairs and improvements required to bring the dwelling unit or structure into compliance with the provisions of this code.
5. Inform the property owner of the right to appeal.
6. Include a statement of the right to file a lien in accordance with Section 106.3.

107.3 Method of service. Such notice shall be deemed to be properly served if a copy thereof is:

1. Delivered personally;
2. Sent by certified or first-class mail addressed to the last known address; or
3. If the notice is returned showing that the letter was not delivered, a copy thereof shall be posted in a conspicuous place in or about the structure affected by such notice.

107.4 Penalties. Penalties for noncompliance with orders and notices shall be as set forth in Section 106.4.

107.5 Transfer of ownership. It shall be unlawful for the owner of any dwelling unit or structure who has received a compliance order or upon whom a notice of violation has been served to sell, transfer, mortgage, lease or otherwise dispose of such dwelling unit or structure to another until the provisions of the compliance order or notice of violation have been complied with, or until such owner shall first furnish the grantee, transferee, mortgagee or lessee a true copy of any compliance order or notice of violation issued by the code official and shall furnish to the code official a signed and notarized statement from the grantee, transferee, mortgagee or lessee, acknowledging the receipt of such compliance order or notice of violation and fully accepting the responsibility without condition for making the corrections or repairs required by such compliance order or notice of violation.

SECTION 108 UNSAFE STRUCTURES AND EQUIPMENT

108.1 General. When a structure or equipment is found by the code official to be unsafe, or when a structure is found unfit for human occupancy, or is found unlawful, such structure shall be condemned pursuant to the provisions of this code.

108.1.1 Unsafe structures. An unsafe structure is one that is found to be dangerous to the life, health, property or safety of the public or the occupants of the structure by not providing minimum safeguards to protect or warn occupants in the event of fire, or because such structure contains unsafe equipment or is so damaged, decayed, dilapidated, structurally unsafe or of such faulty construction or unstable foundation, that partial or complete collapse is possible.

108.1.2 Unsafe equipment. Unsafe equipment includes any boiler, heating equipment, elevator, moving stairway, electrical wiring or device, flammable liquid containers or other equipment on the premises or within the structure which is in such disrepair or condition that such equipment is a hazard to life, health, property or safety of the public or occupants of the premises or structure.

108.1.3 Structure unfit for human occupancy. A structure is unfit for human occupancy whenever the code official finds that such structure is unsafe, unlawful or, because of the degree to which the structure is in disrepair or lacks maintenance, is insanitary, vermin or rat infested, contains filth and contamination, or lacks ventilation, illumination,

code official shall cause the structure to be demolished and removed, either through an available public agency or by contract or arrangement with private persons, and the cost of such demolition and removal shall be charged against the real estate upon which the structure is located and shall be a lien upon such real estate.

110.4 Salvage materials. When any structure has been ordered demolished and removed, the governing body or other designated officer under said contract or arrangement aforesaid shall have the right to sell the salvage and valuable materials at the highest price obtainable. The net proceeds of such sale, after deducting the expenses of such demolition and removal, shall be promptly remitted with a report of such sale or transaction, including the items of expense and the amounts deducted, for the person who is entitled thereto, subject to any order of a court. If such a surplus does not remain to be turned over, the report shall so state.

SECTION 111 MEANS OF APPEAL

111.1 Application for appeal. Any person directly affected by a decision of the code official or a notice or order issued under this code shall have the right to appeal to the board of appeals, provided that a written application for appeal is filed within 20 days after the day the decision, notice or order was served. An application for appeal shall be based on a claim that the true intent of this code or the rules legally adopted thereunder have been incorrectly interpreted, the provisions of this code do not fully apply, or the requirements of this code are adequately satisfied by other means.

111.2 Membership of board. The board of appeals shall consist of a minimum of three members who are qualified by experience and training to pass on matters pertaining to property maintenance and who are not employees of the jurisdiction. The code official shall be an ex-officio member but shall have no vote on any matter before the board. The board shall be appointed by the chief appointing authority, and shall serve staggered and overlapping terms.

111.2.1 Alternate members. The chief appointing authority shall appoint two or more alternate members who shall be called by the board chairman to hear appeals during the absence or disqualification of a member. Alternate members shall possess the qualifications required for board membership.

111.2.2 Chairman. The board shall annually select one of its members to serve as chairman.

111.2.3 Disqualification of member. A member shall not hear an appeal in which that member has a personal, professional or financial interest.

111.2.4 Secretary. The chief administrative officer shall designate a qualified person to serve as secretary to the board. The secretary shall file a detailed record of all proceedings in the office of the chief administrative officer.

111.2.5 Compensation of members. Compensation of members shall be determined by law.

111.3 Notice of meeting. The board shall meet upon notice from the chairman, within 20 days of the filing of an appeal, or at stated periodic meetings.

111.4 Open hearing. All hearings before the board shall be open to the public. The appellant, the appellant's representative, the code official and any person whose interests are affected shall be given an opportunity to be heard. A quorum shall consist of not less than two-thirds of the board membership.

111.4.1 Procedure. The board shall adopt and make available to the public through the secretary procedures under which a hearing will be conducted. The procedures shall not require compliance with strict rules of evidence, but shall mandate that only relevant information be received.

111.5 Postponed hearing. When the full board is not present to hear an appeal, either the appellant or the appellant's representative shall have the right to request a postponement of the hearing.

111.6 Board decision. The board shall modify or reverse the decision of the code official only by a concurring vote of a majority of the total number of appointed board members.

111.6.1 Records and copies. The decision of the board shall be recorded. Copies shall be furnished to the appellant and to the code official.

111.6.2 Administration. The code official shall take immediate action in accordance with the decision of the board.

111.7 Court review. Any person, whether or not a previous party of the appeal, shall have the right to apply to the appropriate court for a writ of certiorari to correct errors of law. Application for review shall be made in the manner and time required by law following the filing of the decision in the office of the chief administrative officer.

111.8 Stays of enforcement. Appeals of notice and orders (other than Imminent Danger notices) shall stay the enforcement of the notice and order until the appeal is heard by the appeals board.

Special Meeting and Work Session

Meeting Date: 11/04/2013

Council Goals: N/A

Information

AGENDA CAPTION:

Public Hearing and discussion to deliberate the evaluation of the City Manager.

FINANCIAL IMPACT:

N/A

BACKGROUND:

N/A

RECOMMENDATION:

N/A
